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Japan

Reportage on Middle East Situation Continues

JSP, JCP on Deployment of SDF

OW2408192890 Tokyo KYODO in English 1516 GMT 24 Aug 90

[Text] Tokyo, Aug. 24 KYODO—The Japan Socialist Party [JSP] on Friday voiced strong opposition to Foreign Minister Taro Nakayama's hint that legislation might be prepared paving the way for the sending of Self-Defense Forces [SDF] personnel abroad as part of Japan's contributions to the peace of the Middle East.

JSP Secretary General Tsuruo Yamaguchi said Japan cannot send troops abroad under the current Constitution. "If the government attempts such legislation, it will fail," he said.

Kazuo Shii, chief of the Japan Communist Party's [JCP] Secretariat, said his party will never allow the government to dispatch SDF personnel overseas "in any form."

Democratic Socialist Party Chairman Keigo Ouchi, however, threw Nakayama some support, saying that the foreign minister had spoken "very properly." Ouchi said now is the time to consider what Japan can do to contribute to international peacekeeping efforts.

Komeito, opposing the sending of SDF personnel abroad, said Japan should work out its contributions to the peace in the Middle East "as a pacifist state." The Defense Agency said it is ready to send SDF personnel if their dispatch does not run counter to the Constitution or if approved by the Diet.

Oil Reserves Status Reported

OW2408144090 Tokyo KYODO in English 1334 GMT 24 Aug 90

[Text] Tokyo, Aug. 24 KYODO—Japan's oil reserves at the end of July were fractionally down but sufficient to cover 142 days' consumption, unchanged from the previous month, the government reported Friday.

The reserves, including those held by both the public and private sectors, stood at 519.24 million barrels in terms of refined products as of July 31, down a mere 0.1 percent from the month- before level, according to the Natural Resources and Energy Agency, an office under the Ministry of International Trade and Industry (MITI).

Reserves in the private sector were down marginally by 0.2 percent to 321.99 million barrels. But the number of days' supply was unchanged from June at 88, the agency said. Reserves in the public sector stood at 197.25 million barrels equivalent to 54 days of consumption, both unchanged.

Kuwaiti Envoy Criticizes PLO

OW2508085590 Tokyo KYODO in English 0757 GMT 25 Aug 90

[Text] Tokyo, Aug. 25 KYODO—Kuwaiti Ambassador to Japan 'Abd al-'Aziz al-Sharikh hailed Japan's "courageous" response to the Iraqi invasion of Kuwait, saying that Japan has shown itself to be not only an economic giant but a "moral force" in world affairs.

The Kuwaiti envoy, in an interview with KYODO NEWS SERVICE on Friday, also said that Iraqi President Saddam Husayn made a "miscalculation" in assuming that oil-dependent Japan "would say and do nothing" after the August 2 invasion. "It was an excellent and courageous response," said Al-Sharikh, speaking soon after his return from France. He had temporarily been in charge of the Kuwaiti Embassy in Paris.

Al-Sharikh said that Japan had not been prodded, but had responded strongly to the Iraqi invasion before the United Nations' Security Council decided on economic sanctions. He said this was an act Kuwait and its Arab allies in the six-member Gulf Cooperation Council (GCC) "will never forget."

"Japan has proven by this position that it is not only an economic giant, but that it is also a moral force in this world," he said. "I think it was a miscalculation on the part of Saddam not to expect Japan to stand up for its principles." He said Husayn believed by bringing Kuwaiti oil under his control, he would become "the king of oil," and Japan and other countries would be forced "to submit to his dictates."

Al-Sharikh declined to comment on further measures Japan should take toward helping international efforts in the Persian Gulf, indicating the "delicacy" of studies by the Japanese Government.

He said Kuwait had not asked Japan to provide humanitarian relief to Kuwaiti refugees in Saudi Arabia. This is reportedly one of the aims of the government's study, after a request from the Saudi Government. "However, being an occupied country, we exclude nothing from our request for whatever Japan can do to help our people inside Kuwait," Al-Sharikh said.

The Kuwaiti envoy indicated that Japan is in a unique position to exercise not only an economic role in the Middle East, but also a political role equal to its economic influence. "Let us appreciate the fact that Japan is very much credible and acceptable, and has no dark history in the area," he said.

On the Gulf situation, Al-Sharikh said he was surprised by Husayn's "total capitulation to Iran" after eight years of bloody and destructive warfare. He said, "After all this is over, he will have to answer to the people of Iraq the big question what was it all for?"

By withdrawing from Iran and invading a country that had supported the Iraqi war effort, Husayn has compromised himself, the ambassador said.

Al-Sharikh ruled out negotiations with Iraq until it withdraws "totally and unconditionally" from Kuwait. But the envoy acknowledged after the return to power of the Kuwaiti Amir, Shaykk Jabir al-Ahmad al-Sabah, that "many things will have to be thought over" to address problems that preceded the Iraqi invasion.

Al-Sharikh criticized the leadership of the Palestine Liberation Organization (PLO) as "misguided" for supporting Iraq. "They will have to answer to the people of Palestine, 'Why did you abandon Kuwait in its hour of need? Why did you bet on a losing horse?'," he said.

The ambassador dismissed Iraq's "dangerous and illusive" argument that by seizing Kuwait, it is addressing the imbalance of wealth in the region. He said Iraq, not Kuwait, is the richest country in the Arab world.

"If the people in Iraq are starving, it is not because their country is poor, it is because their leadership is misguided and they wasted their wealth," he said. "That's what he is doing, divide and rule. He's now trying to excite every Arab against every Arab and all the Arabs against the international community," al-Sharikh said. "This is very explosive."

Government Still Viewing Options

OW2608051790 Tokyo KYODO in English 0421 GMT 26 Aug 90

[Text] Tokyo, Aug. 26 (KYODO)—Prime Minister Toshiki Kaifu continued consultations on Sunday with government and party leaders to discuss what Japan should do to contribute to peace and stability in the Middle East and also how to evacuate Japanese nationals in Iraq.

Kaifu called in Ichiro Ozawa, secretary general of the ruling Liberal Democratic Party (LDP), around noon for a joint assessment of the Persian Gulf crisis.

On Saturday, Kaifu and seven of his 20 cabinet ministers went into a huddle to decide a package of measures. But no major policy decision has been announced.

Government sources said under study were the sending of a medical team to the Persian Gulf and the providing of supplies or transportation to a United States-led multinational force in the Gulf. Japan is also considering providing economic assistance to countries affected by a United Nations-approved package of economic sanctions against Iraq.

Meanwhile, the Japanese Government is concerned that more Japanese nationals may be taken out of a Baghdad hotel in addition to some 20, all males, on Saturday, the sources said. It has failed to confirm where the 20 Japanese are confined after being taken from Al-Mansoor Melia Hotel in Baghdad, where they had stayed as part of a group of 213 who evacuated from Iraqi-occupied Kuwait.

Japan has asked Iraq to tell whereabouts of the Japanese taken out of the hotel, officials said. The government does not know the exact number of those taken from the hotel, Foreign Ministry officials said.

There are a total of 445 Japanese nationals stranded in Iraq and 33 others in Kuwait, the officials said.

Foreign Minister Taro Nakayama said on Sunday that money only is not enough to achieve peace and stability in the Middle East. Nakayama, appearing on an NHK TV program, said Japan might be isolated in the international community if it does not provide assistance in the transportation and medical fields and relief of refugees.

Japan needs to do whatever is possible within the limits of the Constitution, the self-defense forces law and other legislation, the foreign minister said. Japan cannot send SDF troops abroad under present law banning participation in collective defense and use of force to resolve international disputes, government officials said.

Deputy Foreign Minister Hisashi Owada has flown to Geneva for talks with International Red Cross officials to seek help to protect Japanese nationals in Iraq and Iraqi-occupied Kuwait, Nakayama said.

Nakayama Takes Part in Discussion

OW2608190990

[Editorial Report] Tokyo NHK General Television Network in Japanese at 0001 GMT on 26 August carries 60-minute round-table discussion entitled "Emergency Report on Middle East, Foreign Minister's Visits, and Future Prospects." Participating in the discussion are Foreign Minister Taro Nakayama; Keiji Natori, executive director of the Middle East Cooperation Center; Takehiko Kamo, professor of Tokyo University; and Kazuo Takahashi, professor of the Broadcast University. The moderator of the discussion is NHK commentator Korehito Obama.

After briefly describing the current tension in the Middle East, Obama asks Minister Nakayama, who has just returned from his Middle East tour, about the Japanese Government's measures to deal with the Iraqi detention of 20 Japanese hostages in Baghdad. Nakayama points out that in addition to those Japanese that have been taken away, many other Japanese and foreigners are still staying in Baghdad. Nakayama notes that "from the humanitarian standpoint, it is a generally accepted idea in the international community that noncombatants should be allowed to leave the nation as they wish." He adds that Vice Foreign Minister Owada has already been dispatched to the International Red Cross in Geneva to work on the release of foreigners detained in Iraq. Nakayama also says staff members of the Japanese

Embassy are doing their best in negotiating with the Iraqi Government for the release of Japanese citizens.

Concerning future prospects for the Middle East situation, Nakayama points out the growing tension in Kuwait because of the Iraqi demand for closing all foreign embassies and says that "it is utterly impossible to predict how the situation will develop." He also states that the Japanese Government considers the Iraqi invasion into Kuwait as "an unforgivable incident because Iraq has violated international laws in invading other nations with armed forces for suppression and in demanding the closing of foreign embassies." He also calls for efforts to persuade Saddam Husayn to change his concepts, "otherwise it will be difficult for the Middle East to enjoy stability." The other participants agree with the foreign minister that the future development of the Middle East crisis is certainly unpredictable.

In the course of discussing the possibility of Iraq invading Jordan and military clashes in the Middle East, Nakayama notes that Iraq's Saddam Husayn is calling for the unity of Arab nations against Saudi Arabia, which called in U.S. forces. He says: "In the course of conversations with me, Egyptian President Mubarak stressed that he does not think of unifying Arabs into one and we do not understand the thinking of Saddam Husayn." Nakayama also stresses that "leaders of Arab nations are fearful of possible Iraqi military invasion of their nations." Asked by moderator Obama about the possibility of Iraq and Israel going to war, Nakayama says: "If Iraq invades Jordan, as you just mentioned, Israel will go into a state of combat. In that case, the situation may develop into confrontation between Israeli and Arab. Therefore, Israel should act with a cool head."

Moderator Obama takes up the question of how U.S.-Soviet cooperation will develop in the future and asks participants to state their views. Stating his views on this question, Nakayama says: "The United States and the Soviet Union have held dialogues with open minds and supported UN resolutions. I think that this development is a totally new course in international politics." Referring to the effects of economic sanctions, Nakayama points to Turkey, which is taking a clear-cut attitude toward the economic sanctions against Iraq, suspending trade with Iraq and shutting down pipelines carrying Iraqi oil.

On the question of Japanese in Iraq and Kuwait, the foreign minister reveals that the government is seeking assistance from the International Red Cross. "We would like to have the firm help of the International Red Cross on the question of having hostages released and the issue of having daily necessary goods shipped to Japanese still there," he says.

In reply to the moderator's question on Japan's possible contributions with respect to solving the crisis, Nakayam explains the different positions of Arab countries concerned. He says, for instance, Saudi Arabia needs no money from Japan and wants Japan to send troops. He then notes that Egypt, Turkey, and Jordan need econonic assistance. He talks about these countries' economic problems, which are the result of enforcing the economic sanctions against Iraq.

"What Japan has to do is to render assistance so that economic damages to these surrounding countries, resulting from their enforcement of the sanctions, may be minimized," he says. But he adds that Japan offered only money and that "will not be acceptable to international society."

He says he "keenly felt that there is a possibility that Japan will soon be isolated from international society if Japan does not do more than provide money." Citing what Japan can do beyond offering money, he talks about providing means of transporation, medical aid, or aid to help refugees.

Saying "we will lose international trust if we do not do more," Nakayama insists Japan must seriously study about how it can do more within the framework of the Constitution and existing laws.

Taking emphatic note of Japan's heavy dependence on oil supplies from Arab nations, he goes on, "if Japan thinks this is only a problem of far-away Arab nations, I cannot carry out my part of diplomacy."

"I think it is time that all the people realize that a grave problem, which can affect the existence of the country and the people, is now emerging. They should seriously discuss how peace can be restored and what we must do in this regard," he warns.

Asked about what the government intends to do with regard to the Middle East situation now, Nakayama says what the government should do immediately is to provide active cooperation to international efforts to solve the situation in a peaceful manner, centering around the UN. Another important matter for the government is to rescue the Japanese through the International Red Cross in cooperation with other countries concerned, he adds. "Japan must place emphasis on getting Japanese out, but Japan must also make efforts to get people of other countries released in cooperation with other countries from the humanitarian viewpoint.

The foreign minister says in order for Japan to provide cooperation in nonmilitary ways, it must have the participation of civilians. Since it will need civilian participation, the government must study the question of the status and security of these civilians working in risk areas.

In conclusion, Nakayama reiterates that what can be achieved within the framework of exisitng laws will be carried out promptly. "There is a possibility that the conflict will be prolonged. In that case, if necessary, laws will be legislated with the approval of the people."

Saudi Envoy on Oil Production

OW2708124090 Tokyo NHK General Television Network in Japanese 1000 GMT 27 Aug 90

[Text] Saudi Ambassador to Japan Fawzi Shobokshi in an interview with NHK today said that Saudi Arabia is considering increasing its oil production by 2 million barrels a day to make up for the oil shortage resulting from the Iraqi invasion. The normal supply of oil per day is 4 million barrels a day.

[Begin recording of Shobokshi remarks in English] We are for the stability of the international community, and, of course, the economy of the world. Now, what we have in mind, of course,—I think it has been published that Saudi Arabia is willing to produce about 2 million barrels more a day. That is about 50 percent of the shortage that resulted from the Iraqi invasion of Kuwait. I think also that Venezuela, as well as the United Arab Emirates, will be able to produce each about half a million. So, we have about 3 million barrels a day. The rest, which is only 1 million, I think, could be shared by other members of the OPEC. [end recording]

In this way, Ambassador Shobokshi expressed Saudi Arabia's strong desire to increase its oil production to make up for the crude oil shortage.

JAL 'Ready' To Transport Supplies

OW2708163390 Tokyo KYODO in English 1603 GMT 27 Aug 90

[Text] Tokyo, Aug. 27 KYODO—Japan Airlines [JAL] Co. is ready to offer two of its cargo planes to ship "relief supplies for peaceful purposes" to the Middle East, JAL President Matsuo Toshimitsu said Monday night. But it has not yet been decided whether such a shipment would be from the United States to multilateral armed forces in the Gulf area or from Japan, Toshimitsu said.

The JAL president, however, rejected the view expressed by some government sources earlier in the day that an emergency transport of military supplies would be permissible under Japan's Constitution, saying that such a move is "out of the question."

He said he has not yet informed JAL trade unions of the airline's readiness to provide its aircraft for emergency transport to the Middle East. But he said he believes the trade unions would agree to the idea if the airlift were limited to peaceful purposes.

Earlier in the day, Vice Transport Minister Junji Hayashi told reporters that the use of Japanese civilian aircraft and ships to transport U.S. military supplies to the Persian Gulf is "out of the question."

"I believe there will be no legal problems (providing such transport), although there is constitutional debate ... but it's out of the question to transport military weapons, ammunition, and troops," Hayashi said.

Government Nears Plan Completion

OW2808131190 Tokyo KYODO in English 0947 GMT 28 Aug 90

[Text] Tokyo, Aug. 28 KYODO—The Government said Tuesday it has entered the "final stages" of compiling a plan to help the international effort to end the Iraqi occupation of Kuwait, as debate continued over whether Japanese law allows contributions to multilateral forces.

Chief Cabinet Secretary Misoji Sakamoto said the Government is putting the finishing touches on a program. An official cabinet decision is expected by Wednesday, following discussions between the Government and the ruling Liberal Democratic Party (LDP), government sources said.

Debate continued to rage, meanwhile, over providing civilian transport of military equipment and troops. Sakamoto denied that the Government has officially debated whether Japanese law permits civilian ships and planes to be used for military transports on behalf of the multinational forces in the Persian Gulf. "We are listening to various views of concerned ministries," he said.

Transport Minister Akira Ono told reporters that he is against the use of Japanese civilian transport for moving troops and weapons. A transport ministry official said that industry is reluctant to carry noncombat supplies such as food and medicine. Government inspection would be necessary to assure the actual content of goods so shipped, the official said.

Japan's Constitution prohibits the use of force to resolve international disputes. The interpretation of the Constitution and other laws have been the focus of discussion as Japan tries to meet obligations to the United Nations, while staying within the bounds of its own laws.

Defense Agency Director General Yozo Ishikawa cautioned against employing a broad interpretation of the law to enable the dispatch of Self-Defense Forces abroad.

Sakamoto said that Prime Minister Toshiki Kaifu asked for the "understanding and support" of his cabinet on measures to support the UN efforts to restore peace in the Persian Gulf region. Areas of assistance under consideration included financial aid to needy Gulf countries, dispatch of medical teams, and relief assistance for Kuwaiti refugees.

Foreign Minister Taro Nakayama, freshly back from a five-nation Middle East visit, told the cabinet Japan must dispatch personnel and supplies to earn international approval of its contribution.

Foreign Minister Interviewed

OW2808170790 Tokyo NHK General Television Network in Japanese 1211 GMT 28 Aug 90

[Live interview with Foreign Minister Taro Nakayama by NHK anchorman Hatsuhisa Takashima—from "NHK News 21" program]

[Text] [Takashima] Mr. Minister, thank you for joining our program today. First of all, we are concerned with the safety of the Japanese. The whereabouts of the 20 Japanese, who were taken away from the hotel remain unknown. Reportedly, other Japanese also may have been taken away. Mr. Minister, is there any new information concerning these people?

[Nakayama] At present, we have not received any information that can be confirmed here.

[Takashima] There are still many Japanese in Iraq, a total of 424, who are waiting to depart. The Japanese Government is seeking their release and approached the Iraqi side. Are there any developments on this issue?

[Nakayama] Vice Foreign Minister Owada, who accompanied me on my recent tour to the Middle East, left me in Stockholm the other day and went directly to the International Red Cross in Geneva, Switzerland. He has appealed to the International Red Cross for its overall cooperation in working out the early release of the so-called hostages, including not only Japanese but people from other Western nations as well. The International Red Cross has promised that it would do its best in this matter. In my capacity as Japanese foreign minister, I also asked UN Secretary-General Perez de Cuellar to ensure the United Nations would make its own efforts for the release of the hostages as soon as possible.

Meanwhile, Japanese Ambassador Katakura, who is stationed in Iraq, has strongly called on the Iraqi Government to release the hostages as soon as possible. He also demanded that Iraq show its understanding over Japanese residents' departure from a humanitarian standpoint.

[Takashima] Interim Charge d'Affaires Shirota and Secretary Naito are still at the Japanese Embassy in Kuwait. It is their third day there. Reportedly, they are quite exhausted now. What instructions have been given to the two diplomats there from the Foreign Ministry?

[Nakayama] As far as the Foreign Ministry is concerned, we want them to continue to fulfill their duties as Embassy staff members until such a time when they feel their lives are at stake. However, Japan will not be able to help them when they decide their lives are in danger. We have given such instructions to them.

[Takashima] Meanwhile, the United States decided that 36 staff members of the Iraqi Embassy in Washington should be expelled from the United States in response to Iraqi actions. It is reported that Japan has been asked to take concerted action. What measures does Japan plan to take?

[Nakayama] Japan has not decided on any countermeasures so far.

[Takashima] I see. My next question concerns Japan's measures to contribute to settling the problems in the Middle East and the Gulf area. We just reported in this news program that the urgent measures currently under consideration include provision of funds, deployment of medical teams, and measures for supporting a transport system. Do you think that these measures will be sufficient? And upon implementation of these measures, what results can be expected?

[Nakayama] Iraq disturbed the peace and order of the international community by resorting to violence in invading and controlling Kuwait with its troops at this time. The United Nations decided to impose economic sanctions. Therefore, Japan will have to provide corresponding cooperation as a member of the United Nations.

Under such circumstances and as Foreign Ministry officials, we would like to ask our people to consider the relations existing between Japan and the Middle East. In fact, Japan's oil imports from the Gulf area account for 64 percent of Japan's total oil imports; or rather, 70 percent from the Middle East area as a whole. This certainly has great influence on our people's livelihood and on the Japanese economy. Since we had bitter experiences during the last oil crises, we now have an oil reserve that can be used for up to 130 days. There will be no immediate or direct panic at this moment. However, we must be prepared for a considerably serious effect over the long-term.

We hope that the Iraqi troops will withdraw from Kuwait as early as possible so that conditions for peace will be created. Then oil exports to Japan and other nations will be carried on in peace. The Japanese Government must provide cooperation in accordance with the UN resolutions to achieve this purpose. As you have stated just now, we will, of course, provide assistance to surrounding nations. This assistance could be in the form of aerial or maritime transport, or aid to refugees.

It was all right for us to just provide funds in the past. However, under the circumstances I just described, we should take into consideration the fact that Japan ranks the first in the ratio of its oil import from this area, accounting for 64 percent from the Gulf area alone. The ratio of U.S. oil import accounts for merely 11 percent. Nevertheless, the United States deployed tens of thousands of troops to this area in its effort to create peace there. Japan should cooperate in a more positive way in the view of other nations. There is a growing demand in the international community that Japan should cooperate in a more positive way considering its own position and the interests of its own people. I hope that our government, together with our people, will seriously consider these facts. I feel that our government will have to make a decision as soon as possible on the measures for our contribution to the international community.

[Takashima] It is true that U.S. Ambassador Armacost's demands on Japan have become quite serious. Mr. Minister, it has been reported that while you were in Stockholm on your way back from the Middle East tour, you made remarks hinting at the possibility of including the efficient use of Self-Defense Forces [SDF] in the measures for Japan's contribution. Do you plan to study the possibility of SDF involvement in such efforts and revising the concerned laws?

[Nakayama] It was not in Sweden. In fact, it was in Saudi Arabia when the foreign minister asked if Japan would deploy its SDF. However, I explained the Japanese Constitution in detail to them and I also explained our SDF Law. I clearly stated that it would be impossible for Japan to provide direct military cooperation. Sweden is a neutral nation. I stated in Stockholm that Japan would try to work out a peaceful settlement to the problem in cooperation with Sweden. And I made a commitment that Japan would cooperate sufficiently with Sweden.

My understanding is that it has become necessary for the government to take advantage of this occasion to decide on the limit or framework of Japan's cooperation with the international community in the case of a regional dispute. This is also a chance to create a system with our people's understanding and one that will be accepted by the international community as a reliable one.

[Takashima] Thank you very much.

Embassy To Close 'Temporarily'

OW2808150490 Tokyo KYODO in English 1419 GMT 28 Aug 90

[Text] Tokyo, Aug. 28 KYODO—Japan is planning to temporarily close its embassy in Kuwait within a couple of days, government sources said Tuesday. Japan may be the first major Western bloc country to do so since Iraq ordered foreign countries to close their missions in Kuwait.

Plans are being studied to move the two diplomats left in the Japanese Embassy to Iraq or, if possible, to a third country, sources at the Foreign Ministry said.

The ministry decided it would be dangerous for the diplomats, running out of food and cut off from the outside world, to stay in the embassy much longer, the sources said. Telephone lines, electricity, and gas were cut off last Saturday and the temperature inside the embassy is over 40 Degrees C even at night, they said.

According to reports from the Japanese Embassy in Baghdad, perishable food is rotting and emergency food is running short at the mission in Kuwait, the sources said.

The two diplomats stayed in Kuwait after other embassy staff moved to Baghdad on August 22-23. The sources said they do not expect other countries to criticize Japan's temporary closure of its embassy because stockpiles of food and other circumstances differ from one embassy to another.

Japan has not changed its basic stance of condemning Iraq's August 2 invasion of Kuwait and its subsequent annexation, they stressed.

U.S. Envoy Criticizes Attitude

OW2808151790 Tokyo KYODO in English 1422 GMT 28 Aug 90

[Text] Tokyo, Aug. 28 KYODO—U.S. Ambassador to Japan Michael Armacost on Tuesday expressed dissatisfaction at the pace and substance of Japan's response to events in the Persian Gulf region, Japanese officials said.

Armacost was quoted as expressing his concern and that of the American people in a meeting with Shintaro Abe, an influential figure in the ruling Liberal Democratic Party and a former foreign minister.

Armacost told Abe in talks at the Politician's Office that the United States is closely watching Japan's response to the events in the Persian Gulf with a sense of anxiety and disenchantment, officials said. The U.S. envoy drew a comparison between Japan's response and West Germany's. He noted that like Japan, West Germany is constitutionally constrained from sending troops to engage in distant military operations.

Armacost pointed out, however, that Bonn boldly pushed through a plan to send a flotilla of minesweepers to the eastern Mediterranean to protect international shipping lanes and to replace U.S. Navy ships which were diverted to the Gulf region. Japanese companies, in contrast, have rejected a U.S. request to provide cargo ships normally used for transporting automobiles, the ambassador was quoted as saying.

Officials said Armacost drew Abe's attention to the fact that the U.S. Congress will be ending its summer recess soon. He warned that when it reconvenes there could be heated words about Japan's response to the Gulf crisis. He said that it is important for the Japanese flag to be seen flying prominently in the Gulf region relief and support operations.

In another meeting Tuesday, officials said Armacost told former Deputy Prime Minister Shin Kanemaru that Japan, as a member of the United Nations, should be making more positive efforts to respond to the Gulf situation.

Armacost told Japanese media commentators later that Japan's response to the Gulf situation will determine whether it can achieve a position of leadership in the international community, such as permanent membership in the United Nations Security Council.

The U.S. ambassador said it will soon be one month since Iraq's invasion of Kuwait but that the Japanese Government has yet to come up with a set of effective measures to assist international efforts aimed at countering Iraqi aggression.

Contrasting Japan's response with what he described as a "swift and cooperative" response from the Soviet Union, Armacost warned that "dangerous doubts" could arise among Americans as to who their true friends really are.

Armacost indicated that the United States wants Japan to provide transportation assistance in the current multinational efforts. But he said it is difficult to take Japan's response to such requests seriously when the government attaches so many conditions to providing cooperation.

He noted that the Japanese Government has said a contribution in transportation would have to be strictly nonmilitary in nature, that supplies or personnel transported would have to be dropped off in an area away from the zone of conflict, and that the operation would entail difficult negotiations with industry and labor unions.

U.S. Official Criticizes Policy

OW2908073190 Tokyo KYODO in English 0550 GMT 29 Aug 90

[Text] Washington, Aug. 28 KYODO—A failure by Japan to take concrete measures in the Persian Gulf crisis, such as unconditionally sending Japanese cargo aircraft, ships, and minesweepers, will endanger the U.S.-Japan "global partnership," a high U.S. official said Tuesday.

The official said, "There is a strong sense of disappointment" in the U.S. Administration, ranging from President George Bush and Secretary of State James Baker down to the bottom, "about the fact that it has taken so long, except for economic sanctions, for Japan to take concrete and visible action in the crisis in the Gulf ..."

"The world is watching what Japan does. There also is a tremendous degree of anger in the U.S. Congress," the official added, who spoke on condition of anonymity.

The Bush administration sees Japanese assistance to the Gulf crisis as a litmus test and as a crisis of the global partnership, the official said in an interview with KYODO NEWS SERVICE.

"Japan is known for its checkbook diplomacy. That means Japan offers us a check and we write the amount. But this time, we are not looking for checkbook diplomacy. We want to see a Japanese flag in the Gulf as part of this international operation. That means Japanese cargo aircraft and ships," the official said.

The official said if Japan is ready to send aircraft and ships, there should be no conditions and that the United States also wants to see Japan provide minesweepers.

"There is an idea in this administration that the Self-Defense Forces (SDF) of Japan should be permitted to join this kind of international operation one way or another by redefining its constitutional issues," the official said.

"The Japanese Union of Seamen is claiming they oppose sending their members to war areas, but is it safe to send their tankers to the war area?... U.S. unions are starting to make noises and saying they will refuse unloading Japanese cargoes in U.S. ports," the official said.

In a related development, Koji Kakizawa, chairman of the Foreign Affairs Committee of Japan's House of Representatives, met U.S. officials Tuesday to discuss ways Japan can cooperate in resolving the Gulf crisis, Japanese officials said.

Henry Rowen, assistant secretary for international security affairs of the Defense Department, told Kakizawa that Japan could contribute by providing aircraft and ships to carry U.S. Army personnel and supplies, the officials said.

Richard Armitage, former assistant secretary of defense, told him it is essential for Japan to take visible measures such as sending Japanese-flagged vessels to the Gulf and that Japan should consider sending minesweepers.

Minister Asks for Air, Sea Lift

OW2808140890 Tokyo KYODO in English 1325 GMT 28 Aug 90

[Text] Tokyo, Aug. 28 KYODO—Transport Minister Akira Ono on Tuesday called on three Japanese airlines and a shipowner organization to provide aircraft and ships as part of Japan's contribution to international efforts to resolve the Gulf crisis, ministry officials said.

Ono called Matsuo Toshimitsu, president of Japan Airlines Co., Akio Kondo, president of All Nippon Airways Co, Takeo Hori, president of Nippon Cargo Airlines Co., and Hiroshige Matsunari, chairman of the Japanese Shipowners' Association, to his office and made the request.

Ono was quoted as telling the four executives that aircraft and ships will be used to transport nonmilitary items such as water, food, and medical supplies to the multinational force in the Persian Gulf region. The transport minister added that aircraft provided by the airline companies will only shuttle between Japan and the Middle East countries.

The four executives promised Ono that they will respond to the government request on Wednesday morning.

Washington has reportedly asked Japan to provide civilian aircraft and ships to help send U.S. troops and personnel to the Gulf. Japan's Constitution bans sending Self-Defense Forces personnel abroad, but a government official said Monday that there is no legal problem in providing Japanese civil aircraft and ships to transport military personnel and material to the Gulf.

Japan has been studying a package of Middle East policies with a view to making a concrete contribution to the multinational efforts to ease mounting tensions in the Gulf area, the package is likely to include sending Japanese medical teams and other relief measures for Kuwaiti refugees in Saudi Arabia as well as economic assistance for Middle East countries, which are suffering economically due to international sanctions imposed against Iraq for its August 2 invasion of Kuwait. The package is expected to be announced on Wednesday.

Former Official Afraid of Spread

OW2808135890 Tokyo KYODO in English 1248 GMT 28 Aug 90

[Text] Tokyo, Aug. 28 KYODO—The Gulf crisis could be a harbinger of things to come in Asia, according to a leading Japanese expert on national security and crisis management. "When Iraq conquered Kuwait, I thought my worst anxiety had come true about the spread of local military contingents to small and middle-sized powers," said Atsuyuki Sassa, former director general of the Cabinet Security Affairs Office, the Government's nerve center for crisis management.

"It could happen in North Korea, Vietnam, and maybe India," the former officer of counterespionage and defense councilor to the Defense Agency chief said in a recent interview. Sassa cited a Soviet "bargain sale" of conventional weapons, and the transformation from a bipolar to a multipolar world as major reasons for the increased likelihood of regional conflicts.

"The U.S.-Soviet confrontation was in the national interest of other countries because it was a very simple confrontation," said Sassa.

"In Japan, we only had to coordinate and negotiate with the United States, so the structure was very simple," said the head of the office from its founding in 1986 to last summer.

Sassa said few countries have been able to keep pace with the changing security structure following the superpowers' turning the corner on the Cold War at last year's summit in Malta. The change has resulted in decreased deterrence of local conflicts, particularly among small and medium powers like Libya, Iran, North Korea, and some South American countries which have increasing access to inexpensive weapons, he said.

"The U.S. and Soviet Union are negotiating to sell weapons, that's what we are afraid of," he said.

Sassa advocated a stepped-up diplomatic role for Japan in the Gulf crisis to avoid being branded an "economic monster" and common enemy of the West following improved relations with the Soviet Union.

The Cabinet Security Affairs Office was launched to help coordinate responses among the various government agencies, particularly during hijackings, hostage crises, and other emergencies.

Chief Cabinet Secretary Misoji Sakamoto said Monday the office has not been activated to streamline Japan's response to the Gulf crisis because it exists "for the defense and security of Japan," and that the Gulf crisis involves a more global approach.

Envoys Urge Diet To Condemn Iraq

OW2808111290 Tokyo KYODO in English 0955 GMT 28 Aug 90

[Text] Tokyo, Aug. 28 KYODO—The envoys of four Persian Gulf states in Tokyo on Tuesday called for a Diet resolution denouncing Iraq for its August 2 invasion and occupatin of Kuwait. The ambassadors from Saudi Arabia, Kuwait, Oman, and Qatar pressed the request when they called on Yoshihiko Tsuchiya, president of the House of Councilors, at his official residence.

In the meeting with Tsuchiya, the ambassadors rapped Iraqi actions as an "unpardonable challenge" to peace in the Middle East, and requested that both Houses of the Japanese Diet adopt a critical statement aimed at Iraq.

The upper house president promised to relay the request to the various political parties and expressed concern over the unexpectedly grave proportions assumed by the situation as well as his hope for an early release of foreigners detained in Baghdad by Iraq.

For their part, the Gulf state envoys showed understanding for the constitutional constraints barring Japan from sending troops to the troubled region.

Saudi Ambassador Fawzi Bin 'Abd al-Majid Shobokshi said Japan will not face an oil crisis in the aftermath of the Gulf confrontation, since his country will make up for half of the expected oil shortfall.

UAE Decides Not To Cut Oil Supply

OW2808075990 Tokyo KYODO in English 0719 GMT 28 Aug 90

[Text] Tokyo, Aug. 28 KYODO—Abu Dhabi National Oil Co. of the United Arab Emirates (UAE) has withdrawn an early decision to cut its oil supply to Japan and now will export 200,000 barrels per day (BPD) as originally agreed, the Agency of Natural Resources and Energy said Tuesday.

The agency, affiliated with the Ministry of International Trade and Industry (MITI), also said it was notified that the state-owned company, the largest single oil supplier to Japan, is ready to increase the amount if Japan so requests.

In early August, the company said it would cut its oil exports to Japan by 10 percent beginning with the September load, following a decision at a plenary meeting late July of the Organization of Petroleum Exporting Countries (OPEC) to reduce oil output by the UAE to 1.5 million BPD from two million BPD.

Agency officials said the action is a sign of the UAE's intention to boost oil production.

'Relationship' to Defense Budget

OW2808111190 Tokyo KYODO in English 1020 GMT 28 Aug 90

[Text] Tokyo, Aug. 28 KYODO—Chief Cabinet Secretary Misoji Sakamoto said Tuesday the Gulf crisis will not affect Japan's defense budget for 1991. Sakamoto told reporters that Iraq's invasion of Kuwait did not come up during a Security Council meeting to discuss a new multiyear defense plan to be launched next year.

The 1991 Defense Budget, set to come into effect next April, was the main item discussed by the nation's top defense policymaking board. The council is led by Prime Minister Toshiki Kaifu.

"There is no direct relationship between what is happening in the Middle East and next year's defense budget," Sakamoto told a regularly scheduled news conference. The new defense plan will replace the current 18.4 trillion yen, five-year program that ends in March.

The Defense Agency has proposed a 442 trillion yen budget for the first year of the new plan, a 5.8 percent hike from outlays this year.

The meeting was the third in a series of 10 to brief Kaifu and his seven cabinet ministers who form the council. The ministers are Foreign Minister Taro Nakayama, Sakamoto, Finance Minister Ryutaro Hashimoto, Minister of International Trade and Industry Kabun Muto, Economic Planning Agency chief Hideyuki Aizawa, Science and Technology Agency chief Tomoji Oshima, and Keiwa Okuda, chairman of the National Public Safety Commission.

Economic Growth Still Unaffected

OW2808044890 Tokyo KYODO in English 0110 GMT 28 Aug 90

[Text] Tokyo, Aug. 28 KYODO—Strong domestic demand is continuing to fuel Japan's economy despite the recent surge in oil prices brought on by the crisis in the Persian Gulf, the Economic Planning Agency said Tuesday.

In a monthly economic report, the government agency said domestic demand has been buoyed by brisk corporate capital spending and strong personal consumption. The latest economic assessment pushed the present period of economic expansion into its 45th month in August after surpassing the previous second-longest growth record of 42 months last May.

"The effects of the Middle East crisis have not been felt yet on economic activity, except financial markets," an agency official said at a briefing.

The official shrugged off the possibility that the current volatility in financial markets will threaten economic growth, since a major downturn in the market early this year had little discernible negative impact on the overall economy. "Given the case with black Monday and the plunge in stock prices early this year, I believe that the latest market crisis would not have a serious effect on the real economy," he noted.

But the official cautioned that there might be repercussions from soaring oil prices in the months to come as high-priced crude oil will start arriving in September. World crude oil prices have surged since the Iraqi invasion of Kuwait on August 2, sending shock waves through Japanese and other financial markets.

"The nation's economy is still on an expansionary track with domestic demand maintaining its strength, corporate sales and earnings increasing, and the number of employees steadily on the rise," the report said. The report was based on an analysis of recent economic statistics, including sales at department stores, auto sales, housing starts, and surveys on corporate capital outlays.

Looking at employment, the report said the labor market is continuing to tighten, making it difficult for an increasing number of corporations to find adequate help.

The number of job holders rose 3.3 percent in June from a year earlier and the ratio of job offers to job seekers stood at 1.47 on a seasonally adjusted basis, according to the report. The job offer-to-seeker ratio was the highest since February 1974, with 147 job offers for every 100 people seeking work.

Women, Children Ordered Released

OW2908015790 Tokyo KYODO in English 0101 GMT 29 Aug 90

[Text] Baghdad, Aug. 29 KYODO—Iraqi President Saddam Husayn has ordered the release from Wednesday of all Western women and children who have been detained by Iraqi authorities, Iraqi Television reported Tuesday.

In Japan, NHK Television showed early Wednesday scenes of Husayn visiting about 20 foreign nationals, including a mother and two children who appear to be Japanese, who had been under house arrest at a Baghdad hotel. Husayn told the captives that he understood how they felt.

The date and location of the visit are unknown. A Middle East expert who watched the NHK broadcast believed the meeting took place in the entrance hall of the Iraqi Culture and Information Ministry. The building is a few minutes' walking distance from the Al-Mansour Melia Hotel, where most of the detained foreign nationals are.

Japanese Ambassador Kunio Katakura said he visited the hotel to supply necessities to about 200 Japanese nationals who have been detained. Katakura was denied direct access by Iraqi authorities, but he was given a request believed to be from a Japanese woman, asking for a supply of shampoo, soap, and toothpaste, he said.

Iraqi Foreign Ministry officials reportedly told Katakura that some Japanese stroll around the hotel garden and swim in the pool.

In Tokyo, the Japanese Foreign Ministry is expected to decide soon to temporarily withdraw two diplomats from the mission in Iraqi-occupied Kuwait, who have stayed there in defiance of an Iraqi demand to close the embassy, ministry sources said. The two diplomats have had no electricity or water supply since last Saturday, the sources said.

Chief Cabinet Secretary Misoji Sakamoto rejected any link between the Japanese detained by Iraqi authorities and Japan's ending announcement of measures aimed at contributing to international efforts to resolve the Gulf crisis. He said Japan could not be intimidated by Iraq's "hostage" antics.

The televised scenes of Husayn with what appeared to be Japanese nationals was to give the impression that the hostages are safe, he said. "This is a meaningless exercise," he said.

Iraq may attempt to restrain Japan's response, Sakamoto told a news conference, "but we will not link the hostage-like problem with our support (for multinational forces), or engage in any negotiations."

The government has said it does not want to describe Japanese detainees as hostages.

Iraqi Culture and Information Minister Latif Nusayyif Jasim reportedly said in a television interview about 200 Japanese under house arrest had been taken from the Al-Mansour Melia Hotel to an unkown location. The report could not be immediately confirmed, the Foreign Ministry said.

Chief Cabinet Secretary Sakamoto later Wednesday welcomed Iraqi President Saddam Husayn's offer to release women and children, but cautioned Japan has been unable to confirm details with Iraqi authorities.

"Releasing women and children first is a fine thing," he said. According to a report aired on Iraqi [television] on Tuesday, Husayn has ordered the release of all women and children starting Wednesday.

Sakamoto also said Japan is in no hurry to respond to a U.S. request to expel Iraqi diplomats. "We will take appropriate measures ... and make our own independent decision," Sakamoto told a regularly scheduled news conference. "There is no need to make a rushed conclusion."

On Monday the U.S. announced it had ordered 36 Iraqi diplomats to leave the country, and requested its allies to do likewise. Sakamoto avoided answering whether the government is considering ousting some or all of the six accredited Iraqi diplomats in Tokyo.

Iraqi Official on Release

OW2908105790 Tokyo KYODO in English 1030 GMT 29 Aug 90

[Text] Tokyo, Aug. 29 KYODO—Iraq's First Deputy Prime Minister Taha Yasin Ramadan assured Japan on Wednesday that Japanese will be covered with an Iraqi order to release all Western women and children who are trapped in Iraq, Japanese Foreign Ministry officials said.

Ramadan conveyed this in a meeting with Japanese Ambassador to Baghdad Kunio Katakura, the officials said. Earlier in the day, Iraq's Revolutionary Command Council headed by President Saddam Husayn announced the order in Baghdad.

The Foreign Ministry said there currently are 424 Japanese nationals in Iraq, including 60 women and 52 children.

'Package of Measures' Expected

OW2908032890 Tokyo KYODO in English 0236 GMT 29 Aug 90

[Text] Tokyo, Aug. 29 KYODO—Prime Minister Toshiki Kaifu will announce Wednesday evening a package of measures aimed at contributing to international efforts to resolve the Persian Gulf crisis resulting from Iraq's invasion on August 2 and annexation of Kuwait, government sources said.

Cabinet members will approve a two-part formula consisting of emergency measures and long-term plans including revision of existing laws and new legislation to respond to emergency situations, the sources said.

The government will hold consultations among the concerned government agencies by noon, followed by cabinet-level discussions and consultations between the government and the ruling Liberal Democratic Party (LDP), before Kaifu is expected to make an official announcement at a press conference after 6 P.M., the sources said.

The emergency measures will include assistance to the multinational forces stationed in the Gulf region through the dispatch of medical teams and the provision of financial support and transportation, according to the sources.

They will also call for more than 4 billion U.S. dollars worth of economic assistance to nations in the region which are sustaining economic damage by implementing United Nations economic sanctions against Iraq, they said.

Japan will also take on a bigger share of the cost of maintaining the some 50,000 U.S. troops stationed in Japan, the sources said.

As to long-term measures, Kaifu will stress the need to enact new laws concerning Japan's involvement in international peace efforts and security cooperation, the sources said.

Japan's Constitution says the Japanese people "forever renounce war as a sovereign right of the nation and the threat or use of force as a means of settling international disputes ... land, sea and air forces, as well as other war potential, will never be maintained. The right of belligerency of the state will not be recognized."

This has been widely interpreted as banning the sending of Self- Defense Forces (SDF) personnel overseas, but a 1987 emergency bill allows the dispatch of noncombat personnel for natural disaster relief and police activities.

Airlines, Shippers Agree To Help

OW2908083490 Tokyo KYODO in English 0812 GMT 29 Aug 90

[Text] Tokyo, Aug. 29 KYODO—Japanese Airlines and shipping firms Wednesday agreed to provide transportation to the government, which intends to contribute to a resolution of the Persian Gulf crisis by sending food, water, and medical supplies, government sources said.

Heads of three major airlines and the shipowners association, which have been requested by the government to consider such help, visited Transport Minister Akira Ono at his office separately and said they basically agreed to the request, the sources said.

But they set conditions, including that the transportation involve no military personnel or equipment and that the government assures the safety of those airplanes and ships. The executives also pointed out the importance of obtaining understanding and cooperation from their labor unions, they said.

Matsuo Toshimitsu, president of Japan Airlines Co. (JAL), tentatively offered one cargo flight a week. The number could be increased to a maximum of four cargo flights per week later on if its labor union agrees, according to the sources.

Toshimitsu was quoted as requesting the government to pay "special attention" to the airline's employees who have been captured in Baghdad.

Akio Kondo, president of All Nippon Airways Co. (ANA), and Takeo Hori, president of Nippon Cargo Airlines Co., said they will jointly offer one cargo flight a week.

Hiroshige Matsunari, president of the Japanese Shipowners Association and president of Kawasaki Kisen Kaisha Ltd., said one or two cargo ships will be provided by—three major shipping firms—Nippon Yusen K.K., Mitsui O.S.K. Lines Ltd., and Kawasaki Kisen.

Such offers were made at the request of the Transport Ministry, which needed to secure transportation to ship food, water, and medical supplies to the Gulf region Wednesday.

Prime Minister Toshiki Kaifu is expected to announce Wednesday evening a package of measures aimed at contributing to international efforts to resolve the Gulf crisis in light of requests from the United States.

Meanwhile, the All Japan Seamen's Union with some 70,000 members said it is cautiously considering cooperating in such government operations, because ships and crew members could possibly become entangled in the Gulf region. It will reject any shipment to any sea areas in which the crew's safety could be threatened.

Toyota Motor Corp. separately announced that it has agreed to provide a car carrier as part of the government's Gulf operation. The company has a total of 23 such carriers—14 with a capacity of some 5,000 vehicles each and nine 1,000-vehicle carriers, company officials said.

Considering such cooperative moves by the private sector, the government has decided to pay them at special higher rates than on the usual commercial basis, according to Transport Ministry officials.

A maximum amount of extra allowances to cover insurance for the crew transportation will also be given, and the possible damage to the business of cooperating companies will be considered, they said.

Chartering fees have not been fixed yet, but Transport Ministry sources said the Finance Ministry apparently will not limit those expenses. The usual chartering fee for a B747 cargo plane for a flight between Narita and Saudi Arabia, for instance, would be about 60 million yen, according to industry sources.

Charter rates are changeable according to seasons, contract periods and other factors, but a 60,000-ton freighter plying between the Far East and Middle East at the end of August will cost about 6,000 to 7,000 dollars per day, the sources added.

Medical, Financial Help Extended

OW2908123190 Tokyo KYODO in English 1215 GMT 29 Aug 90

[Text] Tokyo, Aug. 29 KYODO—Prime Minister Toshiki Kaifu said Wednesday that Japan will send cargo aircraft and ships to transport nonmilitary supplies for the multinational forces in the Persian Gulf region.

Kaifu, announcing a package of actions designed to contribute to the peace and stability of the Gulf region, said Japan will also dispatch medical personnel and extend economic and technical assistance to Iraq's neighbors, which he said face serious economic difficulties.

Kaifu mentioned Jordan, Turkey, and Egypt as countries that will receive emergency economic assistance. He also said Japan will provide 10 million dollars in emergency aid to refugees in Jordan.

The prime minister said Japan will send a medical team of up to 100 doctors and nurses to the region. An advance team will soon leave Japan, he said. This will be the first time Japan has dispatched personnel in an effort to help solve an international dispute.

Japan's concrete measures for contributing to international efforts to resolve the Gulf crisis following Iraq's invasion and annexation of Kuwait were announced amid mounting pressure from the United States, which has called for "visible" Japanese actions.

Kaifu announced the measures in a nationally televised news conference. The package did not include the dispatch of Self-Defense Forces [SDF] personnel, even SDF doctors. Japan's Constitution forbids the dispatch of defense forces abroad.

Because of the constitutional ban on the use of force to settle international conflicts, Japan will limit its role to transporting such nonmilitary supplies as medicine, food, and water, despite U.S. calls on Japan to provide aircraft and ships to transport U.S. troops and weapons to the Gulf.

North Korea

Pyongyang Reports Liaison Officials' Contact

SK2808130290 Pyongyang Domestic Service in Korean 1200 GMT 28 Aug 90

[Text] The second round of contact between responsible liaison officials of the North and South in connection with the North-South High-Level Talks was held in the conference room of the Neutral Nations Supervisory Commission [NNSC].

At the contact, the itinerary of our side's delegation in Seoul was discussed. Both sides agreed to hold the third round of contact between the responsible liaison officials at the NNSC conference room on 30 August.

South's Delegate to Pan-National Rally Departs

SK2908101290 Pyongyang KCNA in English 1003 GMT 29 Aug 90

[Text] Pyongyang August 29 (KCNA)—Delegate Hwang Sok-yong of the South side's promotion headquarters for the pan- national rally [PNR] who had participated in the historic PNR left here today together with his wife.

Yo Yon-ku and Chon Kum-chol, vice-chairmen of the North side's preparatory committee for the PNR, saw off at the airport delegate Hwang Sok-yong who was leaving after participating in the PNR, a remarkable event in the history of the reunification movement of our nation, with his ardent will of reunification.

Dailies Condemn 'Colonial Slavery' in South

SK2908054490 Pyongyang KCNA in English 0458 GMT 29 Aug 90

["Disgraceful History Will Never Be Repeated"—KCNA headline]

[Text] Pyongyang August 29 (KCNA)—August 29, 1910 was a disgraceful day of national ruin when the Japanese imperialist aggressors completely occupied Korea on the basis of the criminal Japan-authored "Korea-Japan Annexation Treaty" and proclaimed their colonial domination at home and abroad.

In this connection, NODONG SINMUN and MINJU CHOSON today carry articles calling down curses on and expressing indignation at the Japanese imperialist aggressors who imposed 36 years of colonial slavery upon the Korean people and the flunkeyist traitors.

While the northern half of Korea has turned into a powerful prosperous independent socialist state, the South Korean people have not yet got rid of the lot of colonial slavery under the occupation of the U.S. imperialists and, worse still, have become dual slaves of the U.S. and Japanese aggressors, more miserable than in the period of Japanese imperialist rule, notes NODONG SINMUN, and continues:

The Japanese militarists who have been revived by the U.S. imperialists are intensifying political, economic, cultural and military infiltration into and domination of South Korea and taking an active part in the U.S. imperialists' "two Koreas" plot in an attempt to realise their old dream of "greater East Asia co-prosperity sphere."

The U.S. imperialists have established a colonial fascist rule over South Korea in reliance on the truculent military fascist dictatorship and doggedly blocking the reunification of Korea for the purpose of keeping hold on South Korea as their colony and military base for an indefinite period.

The aggressive moves of the outside forces are further encouraged by the No Tae-u group of traitors who intend to freeze the division through the creation of "two Koreas" and leave South Korea under the domination of the U.S. and Japanese masters forever.

Neither national sovereignty nor peaceful reunification of the country can be achieved with the U.S. imperialists and their agents, the No Tae-u group who seek fascism and war, division and treachery, left alone.

The history of disgrace suffered by the Korean nation in the past must never be repeated.

MINJU CHOSON has this to say:

It is a lesson drawn from the tragedy of "national disgrace in 1910" and a lesson drawn from the realities of South Korea under the colonial rule of U.S. imperialism that wherever the aggressors and traitors hold sway, the country ruins and the nation becomes a stateless slave. The Korean people will not pardon the aggressors and the flunkeyist traitors and will certainly accomplish the cause of national reunification with the nation's own efforts.

Korea-U.S. Anti-Nuclear Seminar Slated for Sep

SK2908042890 Pyongyang KCNA in English 0421 GMT 29 Aug 90

[Text] Pyongyang August 29 (KCNA)—A seminar of Korea-U.S. anti-war, anti-nuclear organizations and community activists on peace and reunification on the Korean peninsula will be held here early in September.

Chinese Military Delegation Continues Visit

Views Art Performance

SK2908063290 Pyongyang Domestic Service in Korean 2300 GMT 24 Aug 90

[Text] On 24 August, the PRC goodwill military delegation currently visiting our country viewed a general performance of music and dance by the Korean People's Army [KPA] ensemble at the 8 February Hall of Culture.

Members of the PRC goodwill military delegation, headed by Colonel General Comrade Qin Jiwei, member of the Political Bureau of the CPC Central Committee, state council and minister of national defense, PRC Ambassador to our country Zheng Yi, and other Chinese guests were invited.

Comrade O Chin-u, member of the Presidium of the Political Bureau of the WPK [Workers' Party of Korea] Central Committee and minister of People's Armed Forces; KPA General Chon Mun-sop; Colonel Generals Yi Pong-won and Kim Il- chol; other generals and officers, and KPA soldiers viewed the performance with the guests.

Because of its high ideological and artistic nature, the performance won the highest praise from the viewers.

Following the performance, Comrade Qin Jiwei and Comrade O Chin-u went up to the stage and gave bunches of flowers to the performers, congratulating them on a successful performance, and posed with them for photographs.

Visits KPA Unit

SK2808102890 Pyongyang KCNA in English 1002 GMT 28 Aug 90

[Text] Pyongyang August 28 (KCNA)—The goodwill military delegation of China led by Col. Gen. [Colonel General] Qin Jiwei, member of the Political Bureau of the C.C. [Central Committee], the Communist Party of China, state councillor and minister of national defence, on an official friendly visit to Korea, today called at the unit of the Korean People's Army [KPA] to which Comrade Li Chang belongs.

It was accompanied by O Chin-u, member of the Presidium of the Political Bureau of the C.C., the Workers' Party of Korea and minister of People's Armed Forces, and Col. Gen. Li Pong-won and Admiral Kim Il-chol of the KPA.

When the friendly envoys of the Chinese people and People's Liberation Army soldiers, the closest revolutionary comrades-in-arms and class brothers who have fought side by side in the struggle against imperialism, the common enemy, arrived at the unit, Armymen and their families warmly cheered them, waving flowers.

A welcome function took place there.

The guests saw the equipment of the unit. They were told that soldiers of the unit sank the U.S. heavy cruiser "Baltimore" with four torpedo boats during the Korean war and captured the U.S. spy ship "Pueblo" in 1968.

Qin Jiwei congratulated the soldiers of the unit on the 41st anniversary of the day of the KPA Navy and sincerely wished them greater achievements in their future struggle.

He presented a silk banner and a souvenir to the unit.

The guests also visited the victorious Korean liberation war museum.

Earlier, on the 27th, the members of the delegation enjoyed themselves, touring Mt. Kumgang, a scenic spot.

Awarded Orders of DPRK

SK2808105790 Pyongyang KCNA in English 1027 GMT 28 Aug 90

[Text] Pyongyang August 28 (KCNA)—Orders of the DPRK were awarded today to the members of the Chinese goodwill military delegation led by Col. Gen. [Colonel General] Qin Jiwei, member of the Political Bureau of the C.C. [Central Committee], the Communist Party of China, state councillor and minister of national defence, on an official friendship visit to Korea.

Order of National Flag 1st Class was awarded to defence minister Qin Jiwei, Order of Freedom and Independence 1st Class to Lieut. Gen. [Lieutenant General] Yu Yongpa, deputy director of the General Political Department of the Chinese People's Liberation Army, and to Lieut. Gen. Gu Hui, commander of the Nanjing Military Area Command of the CPLA [Chinese People's Liberation Army], Order of Friendship 1st Class to Vice Admiral Zhang Xusan, deputy commander of the Navy of the CPLA, and to Maj. Gen. [Major General] Zeng Jianning, deputy director of the General Office of the Central Military Commission, and Order of National Flag 2nd Class to Senior Colonel Wang Dahui, military attache of the Chinese Embassy in Pyongyang.

Order of Friendship 2nd Class or medals were awarded to the rest of the members of the delegation.

DPRK orders and medals were awarded to them for their distinguished services in valiantly fighting on the Korean front during the fatherland liberation war as Chinese People's Volunteers, rendering positive support to the Korean people's just struggle for national reunification and contributing to the friendship and solidarity between the peoples and Armies of Korea and China.

Present at the awarding ceremony were Vice-President Yi Chong-ok, Gen. of the Korean People's Army Chon Mun-sop, Col. Gen. of the Korean People's Army Yi Pong-won and Chinese Ambassador to Korea Zheng Yi.

Kim Il-song Meets With Chongnyon Delegation

SK2808151590 Pyongyang KCNA in English 1501 GMT 28 Aug 90

[Text] Pyongyang August 28 (KCNA)—The great leader President Kim Il-song today received a congratulatory group of Koreans from Japan to celebrate the 42nd founding anniversary of the DPRK led by Yi Chin-kyu, first vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), and a Chongnyon officials' delegation headed by Kim Chae-kyu, chairman of the Federation of Korean Credit Associations in Japan.

Yun Ki-pok and other officials concerned were present on the occasion.

President Kim Il-song had talks with the members of the group and the delegation in a cordial atmosphere.

He arranged a luncheon for them.

Japanese Hike in Defense Spending Condemned

SK2908051090 Pyongyang KCNA in English 0428 GMT 29 Aug 90

["Japanese Reactionaries' Anachronistic Arms Buildup"—KCNA headline]

[Text] Pyongyang August 29 (KCNA)—The Japanese Defence Agency on August 24 decided to increase the "defence appropriations" for fiscal 1991 5.8 percent above the present fiscal year, according to a report from Tokyo.

The Japanese reactionaries' scheme to increase the military spendings is clear proof of the growing militarists' desire for overseas expansion.

The Japanese reactionaries who had replaced the "all-out defence strategy" with an "offensive strategy" long ago have systematically augumented the military expenditure to increase the operational capacity of "Self-Defence Forces" to cope with it.

Therefore, Japan which had taken the 17th place in the world's military spendings has come from behind to rank the third at a jump.

Speaking at a special meeting of the budget committee of the House of Representatives on April 23, Japanese Prime Minister Kaifu openly prattled that Japan would "continue to increase the defence capabilities" of the country despite the global trend toward detente.

The reckless moves of the Japanese reactionaries who are massively reinforcing the armed forces of aggression overseas in actuality on the pretext of "defence" are contrary to the trend of the times toward disarmament and detente; they will face denunciation by the people at home and abroad.

* Youth Urged To Study Story of Guerrillas

902C0246A Pyongyang NODONG CHONGNYON in Korean 14 Jun 90 p 1

[Editorial: "Let Us Live and Struggle in the Paektu Revolutionary Spirit, Turning the Study of the History of the Anti-Japanese Guerrillas Into a Way of Life"]

[Text] To live and struggle in the Paektu revolutionary spirit, thoroughly armed with our party's glorious revolutionary tradition is one of the important demands that arises for moving toward brilliant attainment of the chuche revolutionary cause charted by the great leader Comrade Kim Il-song.

In arming oneself with the revolutionary tradition it is of very important significance to study deeply the history of the anti-Japanese guerrillas and learn from the revolutionary thought and fighting spirit contained therein.

The dear leader Comrade Kim Chong-il pointed out: "In going forward protecting and upholding the revolutionary tradition youth must take the lead more than anyone else. This is so because the generation who is charged with carrying on our party's revolutionary tradition and keeping it blooming is none other than the youth."

Deeply studying the history of the anti-Japanese guerrillas constitutes one of the important methods for youth to use to prepare themselves thoroughly as reliable heirs of the chuche revolutionary cause, infinitely loyal to the great leader and the dear leader comrade.

The history of the anti-Japanese guerrillas permeated with infinite faithfulness to their leader and revolutionary cause, burning love for the fatherland and the people, unflagging faith in the victory of the revolution and indomitable fighting spirit, revolutionary optimism and revolutionary comaraderie constitutes a living example which constantly moves people and inspires them to heroic struggle. In particular, it constitutes an admirable textbook for indoctrinating in the communist revolutionary spirit the youth of a rising generation who have not experienced the arduousness of the revolution.

Bearing eloquent testimony to this is the struggle of our youths who are performing miracles and exploits with matchless patriotic dedication and heroic fighting spirit displayed in socialist construction, drawing strength and courage from reading the history of the anti-Japanese guerrillas and learning how the late anti-Japanese fighters had fought and overcome hardships.

Today our party and people, loftily upholding the great leader's historic administrative policy speech, are energetically launching the struggle to have the superiority of our country's socialism highly displayed. When the youth, society's most energetic force, lives and struggles in the Paektu revolutionary spirit, turning their study of the history of the anti-Japanese guerrillas into a way of life, it will be possible to go forward even more dynamically, accelerating the great march movement of socialism in the 1990's.

Studying the history of the anti-Japanese guerrillas is essential to all people, but especially to the rising generation who have not experienced the trials of the arduous revolutionary struggle, it arises as an even more urgent question.

If the younger generation, growing up as they are under the most superior socialist system, knowing nothing but happiness, were to neglect to study the chronicle, to arm themselves with the revolutionary tradition, eventually they would end up not knowing about the "handful of flour of roasted gluttinous rice," and they would be unable to grow up into resolute revolutionaries.

Moreover, in today's environment with imperialists such as the U.S. imperialists perpetrating antisocialist machinations in an attempt to bring about the collapse of socialism, and going berserk in spreading the corrupt bourgeois culture and way of life so as to turn the rising generation into mental cripples, the youth, ever more intensifying their study of the history of the anti-Japanese guerrillas, must go forward, anytime, anywhere, living and struggling in the Paektu revolutionary spirit, the anti-Japanese revolutionary spirit.

Life shows that he who lives and struggles in the Paektu revolutionary spirit is absolutely impervious to the corrupt bourgeois thought and culture, to the winds of "liberalization." When all youths live and struggle in the Paektu revolutionary spirit, we will be able to resolutely observe our revolutionary stand with faith in the victory of the revolution, in accordance with the demands of the chuche ideology, whatever the barriers and trials, and to go forward continuing to hold the banner of socialism aloft.

The SWYL [Socialist Workers' Youth League] organizations at all levels and youths, as they deepen their study of the history of the anti-Japanese guerrillas in a manner consistent with the demands of the developing realities, must turn it into a way of life in such a way that one and all will go forward living and working with that revolutionary spirit, that struggle ethos of the anti-Japanese revolutionary fighters who fought in the Paektu forests.

What is important in the study of the history of the anti-Japanese guerrillas is that of learning by experience the revolutionary thought and fighting spirit contained therein and turning it into a definite faith.

Through their study of this chronicle the youth must above all deeply master the great leader's revolutionary thought and the sagacity of his leadership, his noble character and revolutionary achievements, all embodied in the revolutionary tradition.

The great leader, by setting forth an unsurpassed strategy and guidelines for leading the anti-Japanese armed struggle and the overall Korean revolution to a great upsurge based on chuche ideology, and by sagaciously leading the struggle for its implementation, brilliantly accomplished the historic fatherland restoration cause.

All youths through their study of the chronicle must deeply master the wise leadership of the great leader who had led the anti-Japanese armed struggle to victory, and his immortal achievements.

Through their study of the chronicle the youths must also learn about the infinite faithfulness of the anti-Japanese guerrillas to the great leader.

The anti-Japanese guerrillas were genuine model communists altogether loyal, with a single mind, to the great leader. The hearts of anti-Japanese guerrillas always burned with infinite respect and admiration for the great leader; they carried out unconditionally, to the end, the revolutionary line and guidelines set forth by our leader, braving multilayered barriers and trials, holding fast to the rock-hard faith that it was glory to live, to die on the road of making revolution, attending our leader. They resolutely protected and defended our leader, unhesitatingly offering their youth, their lives, in turning every formidable corner.

The youths through their study of this chronicle must learn precisely from the infinite faithfulness of the anti-Japanese guerrillas.

Through their study of the memoir the youth must also learn from the indomitable fighting spirit held by anti-Japanese guerrillas.

The anti-Japanese guerrillas, undaunted by whatever the barriers and trials, fought like the phoenix. They never wavered, never threw in the towel even as they were staving off hunger with barks and roots amid a savage cold, colder than minus 40 degrees centigrade; they carried out their assigned revolutionary duties to the end, courageously scoring a breakthrough in all kinds of barriers and trials with an indomitable fighting spirit and the revolutionary spirit of self-reliance. The youth, learning from this, must thoroughly prepare themselves as strong-willed revolutionaries.

Through their study of this chronicle the youths must also learn from the revolutionary way of life of the anti-Japanese guerrillas.

The anti-Japanese guerrillas lived in a revolutionary manner even under extraordinarily difficult and unimaginable circumstances. Even under the difficult conditions of continuing in fierce battle and arduous march, they always ran their unit assiduously, strictly observed the discipline and order in force, and lived at all times in a militant, optimistic manner. The youths, as they study this chronicle substantively must emulate the anti-Japanese guerrillas who lived in a militant manner, filled to overflowing with revolutionary faith and optimism even under the most difficult circumstances. The youth must live as they did, and take the lead in making the revolutionary ethos flourish nationwide.

Next, what is important in the study of the history of the anti-Japanese guerrillas is to do it using various methods.

In their study of this history the youths must do it substantively so as to deeply master the thoughts contained therein. They must individually study and copy, with group readings, and by holding meetings to make study results public and to discuss study results, and by waging a struggle that will produce an effect.

And closely linking the study of this history to daily life, it is imperative to turn it into food for their revolutionization.

In this way it is imperative to make the study of this history, once undertaken, bring about revolutionary innovations in a chain reaction in work and in their way of life.

In striving to make all youths live and struggle in the Paektu revolutionary spirit by turning the study of the history of the anti-Japanese guerrillas into a way of life it is important to enhance the role of SWYL organizations and functionaries.

The SWYL organizations and functionaries, with a tight grip at all times on the party's guideline for instructing the youth in revolutionarily life and work, must ceaselessly strengthen and deepen the work.

The SWYL organizations and functionaries, including the study of the history in their monthly schedule of ideological work without fail, must push ahead with the study of this history on a regular basis, and setting their personal example first, the functionaries must lead the way in making the youth turn the study of this history into their way of life. In this way they must make the youth go forward thoroughly embodying in their work and life the revolutionary slogan of the party, "production, study, life—all in manner of the anti-Japanese guerrillas!"

Assigned to our youth is the sacred duty to carry on and develop the brilliant anti-Japanese revolutionary tradition, thoroughly embody it and win the complete victory of socialism.

All youths, by thoroughly arming themselves with our party's shining revolutionary tradition and by living and struggling in the Paektu revolutionary spirit, shall dynamically accelerate the great march of socialism in the 1990's, display the superiority of our country's socialism even higher, and hasten the attainment of the chuche revolutionary cause.

Events Mark Anniversary of Ties With Cuba

Kim Il-song Message to Castro

SK2808103590 Pyongyang KCNA in English 1019 GMT 28 Aug 90

[Text] Pyongyang August 28 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, on August 25 sent a message of greetings to Comrade Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of the Republic of Cuba, on the occasion of the 30th anniversary of the establishment of diplomatic relations between the two countries.

The message says:

I, on behalf of the Central Committee of the Workers' Party of Korea, the DPRK Government and the Korean people and on my own behalf, extend warm congratulations and fraternal greetings to you and to the Central Committee of the Communist Party, the Government of the Republic and the people of Cuba on the significant day marking the 30th anniversary of the opening of diplomatic relations between the Democratic People's Republic of Korea and the Republic of Cuba [RC].

The establishment of diplomatic relations between the DPRK and the RC was an important event which closely linked the two peoples aspiring after independence.

Over the past 30 years the two peoples have closely supported and cooperated with each other in the struggle against imperialism and for peace and the victory of the cause of socialism and communism and the expansion and development of the Non-aligned Movement.

The Cuban people have always positively supported and encouraged the Korean people in their efforts for the socialist construction and the independent and peaceful reunification of the country and are now standing firm on our people's side.

The Korean people extend full support and firm solidarity for the brave struggle of the Cuban people to hold fast to the principle of the Cuban revolution and socialism to the last, closely rallied around the Communist Party of Cuba with you as its head even under the difficult situation where the U.S. imperialists are going to extremes in their moves to undermine socialism.

I am convinced that though Korea and Cuba are far away from each other geographically, the bonds of friendship and solidarity forged between our two parties, two countries and two peoples in the struggle to realize the common aim and ideal will grow stronger and develop with each passing day in accordance with the spirit agreed upon at our meeting in Pyongyang and the treaty of friendship and cooperation between the two countries.

Availing myself of this opportunity, I sincerely wish you and the Cuban people greater success in their preparations to greet the Fourth Congress of the Communist Party of Cuba and in their struggle to safeguard the independence and sovereignty of the country and bring socialism to completion.

Castro Message to Kim Il-song

SK2808105890 Pyongyang KCNA in English 1032 GMT 28 Aug 90

[Text] Pyongyang August 28 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, August 23 received a message of greetings from Comrade Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of the Republic of Cuba, on the occasion of the 30th anniversary of the establishment of diplomatic relations between the Republic of Cuba and the DPRK. The message reads: I am happy to extend, on behalf of the Cuban people, the Communist Party of Cuba and the Government of Cuba, the warmest fraternal greetings to you and to the brotherly Korean people, your party and the DPRK Government on the occasion of the 30th anniversary of the establishment of diplomatic relations between our two countries.

We take this significant opportunity to note with satisfaction that friendship, solidarity and cooperative relations forged between our two countries in the common struggle against imperialism and for building socialism and achieving peace, development and international security have codlidated [consolidated] and developed over the past 30 years.

I am convinced that these fraternal and friendly relations will be further consolidated and developed for the welfare of our two peoples.

Availing myself of this opportunity, I extend you Cuba's invariable, firm support to and solidarity with the Korean people's just cause of realizing the completely independent and peaceful reunification of the country without outside interference.

I wish you and the fraternal Korean people new greater success in the work for socialist construction and welfare of the nation.

Cuban Delegation Arrives

SK2808152290 Pyongyang KCNA in English 1503 GMT 28 Aug 90

[Text] Pyongyang August 28 (KCNA)—A delegation of the Foreign Ministry of Cuba headed by its Vice-Minister Oscar Oramas arrived in Pyongyang on August 28.

It was met at the airport by Vice-Minister of Foreign Affairs of Korea Cha Pong-chu and Cuban Ambassador to Korea Juan Jose Leon Vega.

Meeting Commemorates Relations

SK2808153390 Pyongyang KCNA in English 1505 GMT 28 Aug 90

[Text] Pyongyang August 28 (KCNA)—A national meeting was held in Pyongyang on August 28 to mark the 30th anniversary of the opening of diplomatic relations between the Democratic People's Republic of Korea and the Republic of Cuba.

Present on the occasion were Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK] and vice-president, other officials concerned and working people in the city.

Kim Yong-nam, member of the Political Bureau of the WPK Central Committee and vice-premier of the Administration Council, delivered a speech at the meeting.

The establishment of diplomatic relations between the DPRK and Cuba 30 years ago was a historical event which has firmly united the peoples of the two countries who have glorious traditions of the revolutionary struggle for freedom and national independence against imperialism and colonialism and are making a vigorous advance toward independence, Kim Yong-nam said.

Pointing out that the peoples of the two countries have for 30 years supported and cooperated with each other for anti-imperialist independence, peace, socialism and for the expansion and development of the Non-Aligned Movement, he said:

The historic meeting held between the great leader Comrade Kim Il-song and respected Comrade Fidel Castro Ruz in March 1986 was an immortal event which will remain recorded on the course jointly covered by the Korean and Cuban peoples and a great event which consolidated the friendship and solidarity between the two countries to be unbreakable.

The fraternal Cuban people under the leadership of the Communist Party of Cuba headed by respected Comrade Fidel Castro Ruz are effecting a great upswing on all fronts to thoroughly implement the resolution of the third congress of the party, consolidate the material and technical foundations of socialism and greet the forthcoming fourth party congress with a high political enthusiasm and brilliant achievements in labour, full of confidence in the revolutionary victory and optimism.

The Korean people sincerely rejoice over the victories and achievements made by the fraternal Cuban people in the struggle against imperialism and for the building of socialism and heartily wish them greater success.

As the aggressive moves of the imperialists become unscrupulous, the conviction of the victory of the cause of socialism cherished deep in the hearts of the two peoples will strike their roots more deeply and socialism built in Korea and Cuba will rise high as an invincible fortress.

It is the unshakable will and firm determination of our party to constantly strengthen and develop the friendship and solidarity between the Korean and Cuban peoples through generations.

We will staunchly fight as ever shoulder to shoulder with the fraternal Cuban people in the joint struggle against imperialism and for the accomplishment of the socialist cause.

Vice-Minister Oscar Oramas, head of the Cuban Foreign Ministry delegation, spoke next.

Noting that the two countries have developed friendly relations through exchanges in the political, economic, cultural, sports, scientific-technological and other fields, he said: Particularly, the historical meeting between Comrade Fidel Castro Ruz, the supreme leader of the Cuban people, and Comrade President Kim Il-song set a milestone in bringing the relations between the two countries to a higher level.

Cuba and Korea will demonstrate the advantages of the socialist system under the banner of the victory of socialism, he said, and added: The history will prove that the peoples of the two countries have built the most excellent society of the people.

Cuba extends unquestioned support to the Korean people in their struggle for the independent and peaceful reunification of the country, he declared.

He noted that the Cuban people highly estimate the proposals made by the Workers' Party of Korea and the Government of the Democratic People's Republic of Korea to ease tensions in Korea and create a nuclear-free, peace zone on the Korean peninsula.

Recalling that the great leader of the Korean people President Kim Il-song put forward a new five-point policy of national reunification at the first session of the Ninth Supreme People's Assembly, he said that Cuba supports the proposals to pull down the concrete wall, realise free travel and complete opening between the North and the South, develop external relations by the North and the South on the principle of building up an international climate favourable for the self-determined and peaceful reunification of the country, develop dialogues for national reunification and form a nationwide united front.

He wished the Korean people great success in their work for implementing the decisions of the Sixth Congress of the WPK and achieving a self-determined and peaceful reunification of the country under the correct guidance of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

Newspaper on 'Remarkable' Ties

SK2908050290 Pyongyang KCNA in English 0437 GMT 29 Aug 90

["Everlasting Korea-Cuba Friendship"—KCNA headline]

[Text] Pyongyang August 29 (KCNA)—Papers here today dedicate editorial articles to the 30th anniversary of the establishment of diplomatic relations between Korea and Cuba.

Noting that the establishment of diplomatic relations between the two countries marked a particular event in the history of Korea-Cuba friendship, NODONG SINMUN says:

The establishment of diplomatic relations between the Democratic People's Republic of Korea and the Republic of Cuba not only became a remarkable occasion in developing friendly and cooperative relations between the two peoples on an overall way but also vigorously encouraged their struggle for the building of a new society and dealt a heavy blow at the U.S. imperialists' anti-Cuba moves.

In the past three decades, the two peoples have closely supported and cooperated with each other in the common struggle against imperialism and for the victory of the cause of socialism and communism.

Through their practical experience, the Korean people realized that the Cuban people are reliable comrades-in-arms and brothers who do not betray the revolutionary principles and comradely fidelity under whatever difficult and complicated conditions.

The indestructibility and solidness of Korea-Cuba friendship is firmly guaranteed by the close intimacy between the great leader of our people Comrade Kim Il-song and the supreme leader of the Cuban people Comrade Fidel Castro.

Today, this friendship is growing stronger and developing day by day in conformity with the spirit agreed upon at meetings and talks between the party and state leaders of the two countries and in accordance with the treaty of friendship and cooperation.

The friendship and solidarity between Korea and Cuba is an excellent example of comradeship between the peoples of the countries who make revolution.

The century-old desire and ideal of the people are now coming true on the soil of Cuba where socialism struck deep roots, the article says, and continues:

The U.S. imperialists are persistently scheming to break off the ever-growing influence of Cuba, regarding as a thorn in the flesh Cuba which defends the banner of socialism in the Western Hemisphere.

With no moves can the U.S. imperialists bring the Cuban people who have firm faith in socialism to their knees.

No force on earth can destroy the Cuban people who are full of the conviction of victory of socialism, indomitable fighting spirit and revolutionary optimism.

The Korean people rejoice as over their own over all the successes made by the fraternal Cuban people in their struggle for the sovereignty and territorial integrity of the country and for peace and security in Central America and Caribbean region, holding high the banner of socialism under difficult conditions where they stand in confrontation with the U.S. imperialists.

We will, in the future, too, as in the past, make all our efforts to support and encourage the fraternal Cuban people in their struggle for safeguarding revolution and building socialism and actively strive to strengthen and develop friendship and solidarity with them in an overall way.

MINJU CHOSON says that the Korea-Cuba friendship which has been forged and consolidated in the common anti- imperialist, anti-U.S. struggle for socialism will be everlasting.

Further Reportage on Mozambican Delegation Visit

Kim Yong-nam Speaks at Banquet

SK2908063590 Pyongyang Domestic Service in Korean 2300 GMT 25 Aug 90

[Text] The Central Committee of the Workers' Party of Korea [WPK] and the DPRK Government arranged a banquet in honor of the Mozambican party and Government delegation at Ongnyu Restaurant last night.

Invited to the banquet were members of the delegation led by Comrade Pascoal Manuel Mocumbi, member of the Political Bureau of the Central Committee of the Mozambique Liberation Front Party [MLFP] and minister of foreign affairs, and officials of the Mozambican Embassy to our country.

Attending were Kim Yong-nam, member of the Political Bureau of the WPK Central Committee, vice premier of the Administration Council, and foreign minister; Kwon Min-chun, deputy director of a department of the WPK Central Committee; and other functionaries concerned. At the banquet, Comrade Kim Yong-nam delivered a speech. Next, Comrade Pascoal Manuel Mocumbi delivered a speech. The banquet was held in a friendly atmosphere. The speech delivered by Comrade Kim Yong-nam at the banquet is as follows:

Today we greeted with a special warm heart the delegation of the comrade foreign minister. The comrade minister is an old friend of ours and is visiting our country for the third time. Availing myself of this opportunity, I once again warmly welcome the visit to our country by the Mozambican party and Government delegation.

Korea and Mozambique are very far apart, with continents and oceans between them. The emotions of friendship and solidarity held by the people of the two countries, however, are deepening with each passing day, going beyond such geographical limits.

The significant meeting between the leaders of the two countries, held in Pyongyang in May, 1988, was an important event of raising the friendly relations between Korea and Mozambique to a new, higher stage.

I believe your visit to our country this time will make another contribution to further developing the friendly and cooperative relations between Korea and Mozambique.

Today, the Mozambican people are effecting a new success in the economic reconstruction plan aimed at rehabilitating the ruined economy and at improving the people's life, tiding over difficulties and ordeals under the leadership of respected Comrade President Joaquim Alberto Chissano and the MLFP.

Your party and government's policies to stabilize the country and rehabilitate and develop and positive efforts to carry out the policies are supported and encouraged by the Korean people and the world peace-loving people.

The Korean people sincerely wish the friendly Mozambican people greater advance in the struggle to create a new life.

Today, our people are vigorously struggling to highly display the superiority of our country's socialism and the cause of reunifying the country, constantly upholding the great leader Comrade Kim Il- song as state president and under the tested leadership of the dear Comrade Kim Chong-il.

Our people's will to accomplish reunification has been well-known to the world. This year alone, we put forward reasonable proposals for peace and reunification on the Korean peninsula—including a new five-point policy for reunifying the country and an epoch-making disarmament proposal, in keeping with our people's desire for reunification and with the demands of the current times. In addition, our people are doing their best to realize the proposals.

Our people's strong will to pull down the barrier of division and accomplish reunification was clearly shown during the pan-national rally, the first time it was held since the territorial and national division.

How ever desperately the splittists at home and abroad may resort to a plot to concoct two Koreas, our people will resolutely accomplish the sacred cause of reunifying the country in the 1990's, with the united strength of the people.

The Mozambican party and Government have consistently supported and encouraged our reunification cause and maintained a principled stand in relations with South Korea. This is a vigorous encouragement to our people's cause of reunifying the country. I express deep thanks to the Mozambican party, Government and people.

Also in the future, we will cherish the militant friendship and unity with the Mozambican people, which have been firmly forged and consolidated on a single road to anti-imperialism and independence. We will positively make efforts to further develop the militant friendship and unity.

In conclusion, being convinced that the comrade minister's visit to our country this time will bear good fruition, I propose a toast to strengthening and developing the friendship between Korea and Mozambique, to the long life and good health of the respected Comrade President Joaquim Alberto Chissano, to the long life and good health of the respected Comrade President Kim Il-song, to the long life and good health of dear Comrade Kim Chong-il, and to the good health of the comrades present here.

Visitors Depart 28 Aug

SK2808102690 Pyongyang KCNA in English 0959 GMT 28 Aug 90

[Text] Pyongyang August 28 (KCNA)—The Mozambican party and Government delegation headed by Pascoal Manuel Mocumbi, member of the Political Bureau of the Central Committee of the Frelimo Party and minister of external relations, today left for home after visiting Korea at the invitation of the Central Committee of the Workers' Party of Korea [WPK] and the Government of the Democratic People's Republic of Korea.

It was seen off at the airport by Kim Yong-nam, member of the Political Bureau of the Central Committee of the WPK, vice-premier of the Administration Council and foreign minister.

While staying in Korea, the delegation went round the Tower of the Chuche Idea and the May Day Stadium and saw a circus performance.

WPK Messages to Guyanese, Jamaican Parties

SK2908101090 Pyongyang KCNA in English 1000 GMT 29 Aug 90

[Text] Pyongyang August 29 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] sent messages to the Central Executive Committee of the People's National Congress of Guyana and the National Executive Committee of the Workers' Party of Jamaica, in reply to their solidarity messages on the occasion of the month for international solidarity with the Korean people.

The messages evinced deep thanks for their positive support to the Korean people's efforts for the peaceful reunification of the country and expressed the belief that the bonds of friendship and solidarity between the WPK and the above-said parties will continue to develop favourably in the future.

Construction of Tongil Street Said Accelerated

SK2908063690 Pyongyang Domestic Service in Korean 1200 GMT 27 Aug 90

[Text] Construction workers involved in the second-stage construction of dwellings in Tongil and Kwangbok Streets, upholding our party's long-term plan, are completing erection of skeletons of high-rise dwellings one after another by effecting a new renovation.

Construction workers belonging to the Kangwon Provincial Brigade involved in building the 7-Ma Building, Second District, in Tongil Street, have completed the erection of the skeleton of an 18-story dwelling within the short period of about three months since they started building in earnest.

Meanwhile, construction workers of the Chagang Provincial Youth Brigade also have successfully erected more than three months ahead of schedule, the skeleton of a 25-story dwelling, Building No. 1, in the Fifth District, in the second stage project of Kwangbok Street.

National Forum Held To Mark Kim Chong-il Plan

SK2908044890 Pyongyang KCNA in English 0432 GMT 29 Aug 90

[Text] Pyongyang August 29 (KCNA)—A national forum of students was held at the February 8 House of Culture on August 28 upon the lapse of 30 years since dear Comrade Kim Chong-il unrolled a far-reaching plan to make Korea shine all over the world, leaving his imperishable footmarks at Kim Il-song University, true to the lofty intention of the great leader President Kim Il-song.

Present there were Choe Ki-yong, chairman of the Education Commission, officials concerned and a delegation of Choson University under the General Association of Korean Residents in Japan (Chongnyon) led by its President Nam Si-u on a visit to the socialist homeland.

The speakers said that the footprints of leadership left by dear Comrade Kim Chong-il at Kim Il-song University mark a great event of historical significance in leading the cause of chuche which started from Mt. Paektu to final accomplishment.

They explained and proved the immortal feats performed by our party in wisely leading the students in the struggle for the accomplishment of the revolutionary cause of chuche.

Students should more deeply grasp the greatness of the idea and theory of our party and its leadership and establish the revolutionary traits of unconditionally accepting and thoroughly implementing the party policy, they stated.

The speakers stressed the need for students to firmly prepare themselves as chuche-type revolutionaries who remain boundlessly loyal to the party and the leader and young vanguards of our party by more deeply studying and grasping the feats of the leadership of our party.

South Korea

Seoul Undecided on Expelling Iraqi Diplomats

SK2908052490 Seoul YONHAP in English 0457 GMT 29 Aug 90

[Text] Seoul, Aug. 29 (OANA-YONHAP)—The United States has asked South Korea to expel Iraqi diplomats, but the government has made no decision, a Foreign Ministry official said Wednesday.

The request was made in a U.S. State Department briefing to Western diplomatic missions in Washington on the expulsion of Iraqi diplomats from Washington, said the official, who declined to be identified.

"But the government has not made any decision in connection with the request," the official said. Another ministry official said 13 diplomats in the embassy in Kuwait, including Ambassador So Pyong-yong, were safe.

"According to a report from the embassy on Tuesday, they are suffering water and food shortages but there is no safety problem," Ministry Spokesman Chong Ui-yong said. He said the Korean diplomats are experiencing difficulties as Iraq cut off electricity to their embassy. Despite such difficulties, the government will maintain the mission in Kuwait as long as it is possible, or the Iraqi Government does not forcibly close it, Chong said. Of 64 countries that have diplomatic missions in Kuwait, 21 including the Soviet Union have closed their embassies. About 420 Koreans remain in Iraq, according to the spokesman.

Sports Minister on Possible Contacts With North

SK2408022290 Seoul THE KOREA TIMES in English 24 Aug 90 p 12

[Excerpts] "I will make every possible effort to realize inter-Korea sports exchanges. The coming Asian Games in Beijing presents a good opportunity to contact leading North Korean sports officials," said Sports Minister Chong Tong-song.

He also said, "We hope the Beijing Asiad serves as an occasion to open closed North Korean society and restore national homogeneity to a certain degree between the people of two Koreas that have remained divided in the last 45 years." The minister, scheduled to visit Beijing during the Games said "I myself will try to contact high-ranking North Korean sports officials and discuss the possibility of sports exchanges in depth." He made the remarks in an interview yesterday.

Of significance is that athletes from South and North Korea will compete for the first time in eight years at the Asian Games. They last met in the New Delhi Asian Games in 1982, he said. Some 9 million won more was made available last April to help athletes prepare for the Beijing Asian Games, Chong said.

He was neither optimistic nor pessimistic on the possibility of capturing second place in overall medal standing, only saying that "every possible effort has been made and we have only to wait for the results." His ministry has played a leading role in contacts with communist nations since it came into being in 1982 and has laid the foundation for eventual establishment of diplomatic relations with most of East European nations on the heels of the Seoul Olympics.

"I have made efforts to expedite sports exchanges with communist nations since I assumed the post last March," Chong said. Chong who is also a four-term lawmaker, said his efforts were motivated from the belief that sports exchanges are destined to promote relations in political, diplomatic and economic fields. He visited East European nations and concluded sports agreements with Yugoslavia, Bulgaria, Romania and Czechoslovakia as well as Morocco in northern Africa last May. A sports agreement with the Soviet Union will also be signed in November this year, Chong expected.

"I am also planning to approach Vietnam, Cuba, Laos, Mongolia, and Albania with which Korea has no diplomatic relations, for sports exchanges with a view to setting a stepping stone for eventual establishment of diplomatic relations with them," he said. [passage omitted]

U.S. Ambassador's Letter to Dissidents Cited

SK2908103090 Seoul TONG-A ILBO in Korean 29 Aug 90 p 2

[Text] On the afternoon of 28 August, U.S. Ambassador Donald Gregg sent letters to Yi Chang-pok, chairman of the National Democratic Alliance of Korea, and Song Kap-sok, chairman of the National Council of University Student Representatives, reaffirming his position that it is appropriate to hold a private roundtable meeting to discuss pending ROK-U.S. issues.

Ambassador Gregg said in the letter: "The meeting between the two sides must be for the purpose of dialogue and promoting understanding and not for the purpose of political propaganda." He also stated: "To achieve this, it is more desirable to hold private discussions and, through this, gradual progress can be made toward holding open discussions."

Delegate Condemns U.S. 'Occupation' of South

JN2208184590 Damascus SANA in Arabic 1540 GMT 22 Aug 90

[Text] Damascus, 22 Aug (SANA)—The delegate of the Democratic National Front in South Korea has said that the South Korean people of all classes will resist with all their determination and might the American occupation of his country while hoisting the banner of national independence, democracy, and national unity.

Mr. Huang Kae-pak, the delegate of the Democratic National Front in South Korea [name and title as published], who is currently visiting Syria said in a news conference here today on the occasion of the anniversary of the front's establishment that the front is working and struggling for uniting the Korean peninsula, establishing peace there, and thwarting the imperialist schemes against the current of Korean unity.

Mr. Huang noted the state of division the Korean people have been living in since the World War II.

The South Korean Front's delegate expressed his gratitude to Syria for the support and backing it gives to the just cause of the Korean people.

USSR Steps Up Economic Pressure on DPRK

SK2908072990 Seoul HANGUK ILBO in Korean 29 Aug 90 p 1

[Text] It was learned that the Soviet Union has begun to put economic pressure on North Korea in earnest and that, for example, it has asked the North Korean side to pay for crude oil and other Soviet goods in dollars and other hard currencies (international currencies) from next January.

A government source said on 28 August that "we received the information that the Soviet Union had asked North Korea to pay for crude oil and other Soviet goods in dollars and other hard currencies from 1 January next year" and that "it is believed that the Soviet Union has begun in earnest to put economic pressure on North Korea, which has refused to open up."

North Korea imports 56.6 percent of its oil from the Soviet Union. It therefore appears, if the Soviet Union presses ahead with this plan, North Korea will face enormous difficulties in getting crude oil and various other raw materials and machinery.

The Soviet Union and North Korea have so far signed a trade agreement every five years, have exchanged trade protocols, and have promoted barter trade.

It was learned that immediately after the June ROK-Soviet summit talks, the Soviet Union had withdrawn its technicians from Yongbyon, North Korea, where Soviet technicians were helping North Korea build large-scale nuclear reactors, and had stopped transferring all the technology on building nuclear reactors to North Korea. In connection with this, another government source said "we know that North Korea owes the Soviet Union a large sum of money due to its trade deficit and as a result of moratoria" and that "we believe that the Soviet Union has halted its economic assistance to North Korea to conduct economic reforms at home and pressure North Korea to open its doors."

This source also said "it appears that, because economic pressure has been put on it, North Korea will have no other alternative but to gradually open its doors in an effort to overcome its economic difficulties" and that "it is likely that the 2 September visit to North Korea by Shevardnadze, Soviet minister of foreign affairs, is related to the Soviet Union's pressure to open North Korea up."

* ROK, USSR Agree To Exchange Technologies

* Items Interest USSR

902C0241A Seoul CHOSON ILBO in Korean 11 Jun 90 p 5

[By reporter Kim Hong: "Technology Treasure-House"]

[Text] The USSR has offered the transfer to our country of its remote sensor technology using electromagnetic wave sound, which is used, among other things, for telemetering the thickness of oil and other pipelines—and even the volume of flow running through them. It is something that money cannot buy from the United States, Japan or any other Western countries. Our technology in this area is still limited and not beyond the production of ultrasonic generators for humidifiers or the nondestructive test using ultrasonic ray.

The USSR, not stopping at this, has also offered a wide range of other technologies for transfer, wide enough to make ROK entrepreneurs gape, including a program for use in the propeller and wing designing, technologies for the manufacturing of ultra-fine metal powder, microwave medical appliances, ion plasma coating, multipurpose solar cell, and shock-absorbing material. It has been known that the lists include many items that are hardly accessible in the Western world because of the technology protection barriers raised by the industrial countries.

After analyzing the various lists of technologies presented recently by the Soviet side for ROK-USSR technological cooperation, the Ministry of Science and Technology [MST] has come up with an affirmative assessment with regard to the feasibility of such cooperation between the two countries.

Mobilized in the analyzing work were some 200 specialists of the Korea Institute of Science and Technology (KIST) and its auxiliary facility, the Genetic Engineering Center. They worked on materials including: a list of 14 major state science-technology programs—which are being pushed by the USSR as government-sponsored research themes—as shown by (Nikolay Voronkov), adviser for the USSR State Committee for Science and Technology [GKNT], at an ROK-USSR economic cooperation meeting in March as part of the plans for technological cooperation between the two countries; a list of 100 technologies presented for proposed transfer to the ROK side by Aleksandr Kamenskiy, director of the GKNT Department of Scientific and Technical Cooperation with Foreign Countries, during his recent visit to Seoul to attend a Soviet technological show at an ROK fair; a list of 686 technologies possessed by the Licensintorg (Soviet state-run patent licensing firm) offered by the head of the USSR patent office during an ROK-USSR economic cooperation meeting; and a list of seven technologies sent recently by the Technoinvest Company, a Soviet technological investment firm, to the Korean Trade Promotion Corporation.

General Industrial Levels of USSR

Based on the analyses, MST concluded that the Soviet technological strength is, contrary to what has been generally known, at a top level not only in such "big science" areas as military technology, fundamental studies, and aeronautics and space but also in general industrial areas including machinery, metals, electronics, chemistry and bioengineering.

USSR State-Sponsored Research Themes

Regarding the 14 major state-sponsored science and technology [S&T] programs, currently being pushed by the USSR as national policy tasks, it has been found that except for the Mars exploration program, 13 other programs have many things in common with our government-sponsored research programs, and that therefore, mutually complementary cooperation in the S&T area is possible.

In their details, the two nations' programs form common areas over 49 research themes involving as many as 57 subjects altogether on which ROK-USSR cooperation is seen as possible.

In the high-energy physics area, among other things, in comparison with the building currently being pushed by Pohang Engineering College of a 2.5 BeV [billion electron volts]-scale ray accelerator, the USSR is working on a 6 TEV [thermoelectric voltage]-scale particles accelerator. This has raised expectations that cooperation will greatly benefit ROK basic research in the physics area dealing with elementary particles.

In high-temperature superconductivity, too, the current Soviet research even includes industrial use of various superconductors, whereas the ROK research is still in an elementary stage.

In the area of new materials, the USSR is desirous of technology transfers over research themes such as: ceramic structural material that can stand heat up to 2,800 degrees C, new glass fiber three to four times stronger than the conventional one, a hydrogen storage alloy with an outstanding storage capacity, powdering of metals into particles of a micron or less in size for ultra-fine metal powder for use in superlight-material coating, and a high polymer with conductivity to put electricity through plastics.

In information processing technology, in comparison with the 10-GFLOPS [giga floating operations per second] supercomputer at KIST, the USSR is researching into new structure and theory of a superhigh-speed large-capacity computer of a 100-GFLOPS level.

Also included in the current USSR Government-sponsored research are pollution-free rapid transits such as the linear motor car, low-pollution thermal power generating, drugs for the treatment of the acquired immune deficiency syndrome (AIDS), and next-generation resource-saving-type construction technology.

100 GKNT Themes

Of some 1,000 technologies in its possession, GKNT is desirous of transferring 100 items, mostly industrial, to the ROK. MST has classified 43 of them as feasible for immediate transfer in view of the high interests anticipated of our businesses in them. With regard to 35 technologies in the list, MST finds that enterprises in this country are not prepared to accommodate them yet. Consequently, in its view, those technologies can be commercialized after three to five years of joint research. As for the remaining 22, they have been found to be either lagging behind our technologies or too high for our domestic accommodation.

Of the 100 technologies, it has been found that transfers are most promising in such areas as electric, electronics, machinery, chemistry and chemical industry, bioengineering and metal technology in that order. The ceramic engine gas distributor and gas turbine technologies in particular can be used in the designing of ceramic car engine and turbo engine and, therefore, auto and engine makers in our country can commercialize them immediately.

The propeller and wing designing program also offers promising prospects because a shipbuilding firm or airline that obtains it through transfer will be able to apply it to the manufacturing of energy-saving-type ship or aircraft propellers and noiseless submarine propellers. The offered ultracentrifuge technology is seen as greatly contributing to the protein separating and refining process at pharmaceutical firms.

Aeronautical Designing Technology Draws Attention

In the metal area, the technology of making metal powder by gas blasting is applicable to the manufacturing of precision bodies of cars, home electric appliances and machine parts, while the manufacturing technology for alloy steel that does not contain nickel has the prospective application for the manufacturing of low-temperature gas tanks. The ion plasma coating technology is indispensable to the surface coating of jet engine turbines and wings that are required to stand a temperature of 2,000 C or higher.

Besides, in the listed technologies, those for ultrasound image, natural stone imitation materials, extraction of tonic substance from ginseng, biosensor, multipurpose solar cell, high-molecular complex material for aircraft fuselage, immunity adjustment substance for use in high blood pressure treatment can be directly transferred to enterprises in our country, according to the MST assessment.

686 Technologies Owned by Licensintorg

With regard to the 686 patented technologies offered by the Licensintorg, they are considered most promising for use in the metal, high molecular, bioengineering, chemical and chemical industry areas in that order. The appraisal was that 91 of them can be transferred even now. Of 156 other technologies, they were put in a group that will be needed after three to five years.

Conspicuous in the machinery area are the remote sensor device using electromagnetic wave sound for telemetering the thickness and depth of pipelines, the technologies for interpreting and measuring structural vibration for construction purposes, propeller designing for high-speed boats, and the technology of new combustion engine designing for use in high-performance engine development.

In the metal area, the heat-resistant, anti-abrasion and anti-erosion surface treatment technology for various materials was found promising, while in the chemical and chemical industry areas, MST analyses indicate that the Soviets are outstanding in the pharmaceutical manufacturing technology for anti-rabies vaccine and various antiviral drugs for animals.

In addition, the rubber processing technology for conductive and other special synthetic rubber and the bioengineering technology for manufacturing diagnostic and preventive drugs and medicines have been found among the promising items for transfer.

Great Potential for the Applied Science

Kang Pak-kwang, chief of the MST Research and Development [R&D] Coordination Office, who directed the analyzing work, said that "with the Soviet-provided lists alone, we see it as difficult to fully grasp the values of those technologies for industrial purposes." "We will have to send a technological cooperation team consisting of government and private-sector representatives in the future and examine each of them in greater details," he added.

At any rate, it is true that the prospects for ROK-USSR technological cooperation are bright thanks to the common interests.

In the basic and applied science, it is known that the USSR has reached high levels through research in the military and space development areas and have huge technological potential.

However, in research for their industrial applications, the USSR is unable to overcome its backwardness, and overall, consumer goods and other light industry technologies continue to lag.

In the high technology area, too, the analyses show that the USSR is generally high on technological strength and development achievements but short on experience in industrialization of technology.

Therefore, as revealed by remarks of the visiting Soviet S&T officials, the USSR is looking for the ROK's industrial technologies plus its capital. Dr. Zhores Ivanovich Alferov, deputy director of the USSR Academy of Sciences, who was the first high-level Soviet scientist to visit the ROK in May, urged ROK enterprises to set up operations in the USSR by saying "a combination of Soviet technological resources and foreign firms' capital will lead to the production of goods with outstanding international competitiveness and this will greatly benefit both countries."

Number of Soviet Researchers—the World's Largest

In our case, despite the fairly large stockpiles we have of high- productivity industrial technologies, we are still weak in fundamental studies and, as a result, experiencing difficulty in making further advances. To make it worse, the United States and Japan, which had been major sources of transfers to our country, have raised protectionist barriers and are reluctant to export their technologies, compelling the ROK to consider diversifying import sources.

From this point of view, it may well be said that the USSR has enough potential and deserves consideration as an inexhaustible "technology treasure-house."

In 1986, the USSR spent 9 billion rubles (approximately $43.1 billion), an equivalent of 5 percent of its GNP, for R&D. It has 1.5 million researchers, the most R&D manpower in the world.

The number of researchers for 10,000 of population is 54, which is much greater than the 33 in the United States and 34 in Japan. Of the research manpower, 60 percent belong to 2,600-odd institutes across the country, with results of their research shown in applications for patents that run up to 200,000 cases or so every year.

The Soviet S&T organization is divided into GKNT and the Academy of Sciences. GKNT is in charge of formulating S&T policies and coordinating their implementation. It has under its control five union-level research institutes. Meanwhile, the Academy of Sciences conducts basic and application research while coordinating overall research activities of the USSR. It has some 400 research institutes under it.

During his visit to the ROK, the deputy director of the academy made clear that he "can work to set up links between research institutes under the Academy of Sciences and ROK enterprises if the ROK side wants me to."

Need for a Unified USSR Contact Point

The ROK-USSR S&T exchange made a start with the signing in February of a protocol on scientific cooperation and exchange of scientists between the Korea Science and Engineering Foundation and the USSR Academy of Sciences, the exchange of notes on cooperation in the machinery area between KIST and the USSR Institute of Machinery, and the conclusion of a research cooperation pact between Yonsei and Moscow universities. It is still in a beginning stage, however.

As for joint research between institutes, the KIST Doping Control Center and the USSR Anti-Doping Center have been conducting joint research since 1989 on Olympic-banned substances and a comparative study of body wastes between different races. Also, KIST is scheduled to embark this year on a joint R&D program with the USSR Institute of Machinery for a cold-resistant, high durability model of ROK-made heavy construction equipment, and an abrasion test and research program concerning lubricating oil with the (Komel—phonetic) Institute of Machinery.

In view of the fact that, as of yet, not all the details have been made available concerning Soviet technologies, MST plans to set up in the USSR a joint office of its involved institutes, putting it exclusively in charge of gathering the necessary data while acting as a contact point with Soviet institutes. Domestically, it plans to set up a technology transfer center to establish a unified contact point for ROK enterprises wishing to set up operations in the USSR.

* Exchange Items Listed

902C0241A Seoul MAEIL KYONGJE SINMUN in Korean 9 Jun 90 p 6

[Text] **USSR Government-Sponsored Research:**

Elementary particle physics area; synthesizing of raw material for superconductors; Change-on-standing prevention technology; molding-related technology; human body genes; chromosome separating; gene map drawing; determination of DNA base sequence; creating of mutual consultative organizations; automation of machine parts production; automation of assembling; high-performance energy-saving processing systems; rotor molding and sintering technology; ceramics technology for turbine engine; technology for core materials/parts for computers and communications equipment; materials for artificial joints with living body affinity; materials for high-sensitivity glass fiber; shedding light on structure of destruction by hydrogen in hydrogen gas and water solution; property of combination between hydrogen and metal; technology to improve properties of magnetism and electricity; granularity control device; shedding light on mechanism of multiphasic metamorphosis; alloying technology and alloy strengthening technology; form control of ultra-fine particle metal; continuous casting technology; biological production technology for medicines and fine chemical products; improvement of animals and plants through change of form and quality; bioreactor technology; rare metal microbic refining technology; production of albuminous medicines; search for new enzyme and technology development for its utilization; exchanges of data and information; environmental cleaning technology; joint designing of linear motor car; next-generation auto designing and manufacturing technology; cost-effective testing inspection systems; new materials data base; environment-resistant crop improvement; improvement of animals and plants through change of form and quality; high-nutrition vegetable protein food; technology for prolonged food storage and transportation; grain processing plant; fish farming technology; research on synthesizing new medicines in the process of research for creation of new materials; technology relating to (?natural water consumption binder).

GKNT-Listed Technologies Available for Direct Transfer

Ceramic engine gas distributor technology and gas turbine technology; propeller and wing designing program; differential-pressure-type meter for carcinogenic substance; flow meter (for dust); ultrasound flow meter (turbulent mode); corrosion prevention technology; (dust) sensor; super-centrifuge; manufacturing technology for (?aluminum-clad double press-out pipes); metal binder diffused and hardened; aluminum stamping technology; rapid powder manufacturing by gas blasting; manufacturing of non-nickel alloy; cast iron and aluminum cylinder manufacturing technology; phase control and ultrasound image technology; optical fiber sensor technology; integration sensor; SOI [silicon on insulator] technology; CO2 laser beam illuminant development; optical fiber communication network technology; communication system technology; microwave medical treatment technology; (ryumisin—phonetic); (Ammoxicillin);(arbidol—phonetic); amylidene; development of biosensor with liquid crystallization of amino acid as base; multipurpose solar battery development; solar cell (Karat-3); photo cell development; all- purpose protective film technology; carbon fiber fabrics; high-molecular complex materials for aircraft fuselage; vibration absorbing materials; nylon stitching thread for use in surgery; instruments for diabetes diagnosis and control; synthesizing technology for peptide amino acid; technique of bioluminescence reaction; microorganism's nitrogen fixation technique; enzyme production for medical treatment; bioluminescence and zymolysis technique; technology for zymolysis device; production of immune control substance for high blood pressure treatment.

Licensintorg-Listed Technologies Available for Direct Transfer

Oil filter device; thickness telemeter using electromagnetic wave sound; ultra-high pressure regulator; designing of multipurpose friction testing instrument (UNITRIB); antiadhesion coating technology; technology for interpreting and measuring of structural vibration; air cleaner for air conditioning, dehumidifying and humidifying; technology and device for air blower durability testing; high-speed ship propeller designing technology; axial current air blower designing technology; multistage axial current air blower designing technology; designing of spiral-type heat exchanger; designing of variable spindle piston; designing of burner for radiation-type heater; manufacturing device and technology for heat exchanger with pin-shaped surface; designing of vortex-style boiler furnace; solar energy utilization technology for room cooling and heating; technology for improving auto engine exhaust system (through heat- and corrosion-resistant covering); 6YH12/14 diesel engine designing technology (88.3-132.5 kW); development of diesel engine mixer; designing technology for new internal combustion engine; processing technology for bushing for (sealing); designing and processing technology for coil-type heat exchanger; friction material manufacturing technology and machine elements; automation of precision casting; technology of high cost-efficiency precision production of metal casting; technology of continuous casting for high-tension cast iron; surface hardening on farm machinery; technology for increased fixing of abrasion-resistant quality; heat- and corrosion-resistant auto engine coating; plasma treatment of slab ingot; metal plating of dielectric material; aluminum parts surface hardening; continuous production technology in steel wire zinc plating; glossy zinc plating technology on steel wire; production technology for tool steel; magnetic head production technology; high-intensity ABI [expansion unknown] steel; cold rolling of copper products; (ball-shaped) special metals; manufacturing technology for special steel powder; vacuum refining of nonferrous metals; production technology for Ba-added FeSi; Cr-plated low-temperature solder plugs; new solder materials; permanent magnet; manufacturing of glass surface polishing materials; ultraviolet ray-sensitized glass; binding material of glass, quartz and ceramics with metals; manufacturing method for silica gel from sodium silicate and sulfuric acid; manufacturing process for pyrosulfurous acid from soda and sulfur dioxide; manufacturing process for aluminum fluoride from silicic fluoride; manufacturing method for wet-type superphosphoric acid ; antirabies vaccine for animals; antiviral drugs for animals; self-coagulative sealant for use in construction; separation and refining process for high-concentration isobutylene; manufacturing process for hemihydrated gypsum; high-purity (95 percent-99 percent) divinyl benzene products; manufacturing of 1-pentane from ethylene and propylene by contact reaction; technology of continuous vulcanization process on India rubber; conductive rubber; high-grade belt technology; rubber mixer; technology of antielectrification and antiabrasion process on acrylic optical material; acrylic lens coating material; anticorrosion latex coating material; silicon alloy mold for plastics heat stamping; surface treatment technology on plastics for coating; continuous manufacturing of thermoplastic polyurethane by compression reactor; resin for high-solidity polyester paints; production of petroleum resin and benzene through naphtha decomposition by heat; foaming urea resin; device for automatic adjustment of pipes' inside diameters; technology of rudder assembly using high-molecular bonding agents; high-adhesiveness tape; dental materials; manufacturing technology for high-molecular ultraviolet ray stabilizer; antiabrasion coating; manufacturing technology for SBS [silicon bilateral switch] blocks by a mid-air merge process; catalyzers for polymerization and alkylation of olefin; high-molecular lubricant mixing technology; manufacturing of citric acid by enzyme fermentation; manufacturing method for vitamin B12 for fodder; multipurpose fermentation device; medicines for treatment of gastric and duodenal ulcers; manufacturing technology for Bactine; method for malignant tumor diagnosing; production of alpha interferon; plant growth control substance; production of nicotine chewing gum.

* Agreement To Be Signed

902C241A Seoul TONG-A ILBO in Korean
13 Jun 90 p 7

[By reporter Pae In-chun]

[Text] Soviet officials have suggested that they are preparing for the signing of an ROK-USSR investment guarantee agreement. This was disclosed by Kim In-ho, assistant economic planning minister for external policy coordination of the Economic Planning Agency [EPA] on 12 June.

Kim visited the Soviet Union on 2 through 11 June as a member of a trade mission of the Korea Traders Association. On return home, he told reporters, "My impression was that Soviet authorities are making a positive study of an ROK-USSR investment guarantee agreement." "It is likely," he said, "that this matter will be settled within the next year at the latest."

Kim also touched on ROK-USSR amity negotiations, saying that "we should focus on concluding simultaneously the investment guarantee agreement and a communications accord and thus settle en bloc the various problems relating to the economic cooperation issue between the two countries." "For expanded trade," he noted, "it is essential that a direct communication network is established between our country and the USSR."

"Presently, we have no official agreements on investment guarantee and on preventing double taxation. Furthermore there are problems yet to be resolved in the financial, employment, social overhead capital and other areas. Consequently, risks involving investments in the USSR are likely to continue for the time being." "In the absence of an investment guarantee mechanism," he noted, "the government finds it difficult to authorize large-scale projects by our businesses."

The EPA official said that Moscow plans to enact by this fall a special law to keep investments by foreigners going and that, therefore, it is necessary for us to carefully study the outcome of that effort before officially establishing our policy on investments in the USSR.

In order to minimize risks, he suggested, we should look for measures focusing on special economic zones and, even in that case, it is advisable to begin with projects that promise an early recovery of investment capital.

Kim In-ho further said that in the long-range view, construction, processing of primary resources, tourism, production of various consumer goods, aviation and other industries involving application of essential technologies will turn out to be promising fields in USSR investments. "Inasmuch as the creation of special economic zones will spur massive investments in infrastructural facilities, construction is a particularly promising area," he said.

In reference to the Soviet delay in its payment for imports, he said that "in view of the fact that the unsettled Soviet accounts with a number of countries have reached significant proportions although no insolvency cases have yet been reported, we anticipate difficulty in seeking early payments."

Consequently, Kim noted, there is a need either to demand, as a means of payment for our exports, raw materials such as aluminum, timber, pig iron, nonferrous metals and chemical materials or to expand barter trade.

Meanwhile, he continued, the USSR has superior technologies in fundamental studies areas such as aeronautics, space and medicine and we need to import those technologies. Specific cooperation plans will be discussed at an ROK-USSR technological seminar scheduled for November in Seoul, he disclosed.

Pointing out that there is also a need to positively study plans to pay royalty in kind for technologies thus imported, Kim said that this point will be reflected in the comprehensive ROK-USSR economic cooperation programs in the future.

* Trade Expansion Urged

902C0241A Seoul TONG-A ILBO in Korean 13 Jun 90 p 7

[By reporter Pae In-chun]

[Text] Kim In-ho, assistant economic planning minister for external policy coordination of the Economic Planning Agency [EPA], prepared a report following his return on 11 June from a USSR visit which lasted more than a week. Following are a summary of the report, "the Real State of the Soviet Economy and Prospects of ROK-USSR Economic Cooperation.":

Soviet authorities consider the solvency issue not a serious problem. They make it visibly clear that they feel unpleasant even talking about it openly.

It was felt that problems relating to collecting payments for exports should be settled by individual enterprises involved, that taking them up on governmental levels will have an unfavorable impact on ROK-USSR rapprochement and economic cooperation.

Although Moscow's high officials unhesitatingly talk about "shifting to the market economy system," they apparently do not fully understand the market economy. In addition, there are problems in the Soviet financial systems and, therefore, we anticipate that it will take a considerably long time for the USSR to put the convertibility of the ruble currency and its exchange rate in order.

Soviet economic reforms appear to be experiencing discrepancies due to differences between federal and local governments and a lack of policy consistency; the trend seems to be that local governments are increasing their authority. If this situation should prevail, our country is likely to meet a considerable amount of confusion in its advances into the Soviet markets and there is a need to develop separate channels of cooperation with local governments.

While there seems to be a consensus among the Soviet people that they have no alternative but to push ahead with reforms, it appears that reform policies are experiencing difficulties due to ethnic troubles, independence movements of various republics and surges in the public distrust caused by shortages of daily necessities.

However, the USSR has vast natural resources and its markets formed by a population of 280 million are huge. Moreover, a visible possibility has developed lately of the West giving the USSR economic assistance. Consequently, in the long-range view, it is considered that the potential effective demand of Soviet markets is great.

It is desirable to work out rapprochement measures focusing on laying foundations of cooperation with an eye on long-term interests. The correct procedure should be that while putting priority on expanding trade for now, we go ahead and lay foundations of cooperation before exploring ways to promote investments.

Even in trade, for the time being, exports by the normal credit-opening method will have their limits because of the Soviet hard currency shortage and the ruble inconvertibility. Therefore, we need to either seek expanded trade by a credit transaction formula allowing deferred payments or employ a counter-purchase method like barter system, and while doing so, to positively develop new financial techniques.

Meanwhile, before proceeding with full-scale investments in the USSR, we should seek assurances of upgraded infrastructural facilities, smooth supply of raw materials and parts, and solutions to essential problems—such as the financial—and the employment problem, as well as of the investment guarantee system which they say is being put in place.

* Joint Venture Agreement

902C0241A Seoul HANGUK KYONGJE SINMUN in Korean 14 Jun 90 p 8

[Unattributed report: "Pacific Chemical to Set Up USSR Consumer Goods Joint Ventures; Sending Working-Level Team in September, Construction May Begin This Year"]

[Text] Pacific Chemical Co., Ltd. is setting up joint venture plants in the USSR for the production of daily necessities.

According to interested sources, Pacific Chemical, the biggest cosmetics maker in our country will build large-scale joint venture plants near Moscow within this year to produce daily necessities such as toothpaste, soap, shampoo and rinses.

In this connection, Yi Kwang-ho, the company's director in charge of overseas operations, said that "currently, the Soviets are experiencing serious shortages of daily necessities and therefore very cooperative with our work to build plants in their country, thinking highly of the diligence and management skills of our people. So, we foresee no major problems." Yi had visited the Soviet Union in February as a member of a trade mission (led by Nam Tok-u, president of the Korea Traders Association) along with the Pacific Group chairman, So Song-hwan.

Yi also disclosed that an agreement had been reached with the Soviets on beginning the construction within this year as soon as they put in place a set of reform measures that are required for foreign businesses to set up operations in the USSR, including an investment guideline.

Presently, Pacific Chemical is working on specific details of the construction plans. It is reportedly planning, sometime in September, to send a working-level team for final consultations with the Soviet side.

The ROK company plans to build two plants capable of producing 50 million tubes of toothpaste and 30 million bottles of shampoo and rinses, respectively.

Pacific Chemical exported $10.2 million worth of goods to the USSR in the period from November of last year through May of this year, including 9 million tubes of toothpaste and 7,000 tons of soap.

Sakhalin Koreans Sue Japan Over 'Slave Labor'

SK2908060090 Seoul YONHAP in English 0518 GMT 29 Aug 90

[Text] Seoul, Aug. 29 (YONHAP)—Twenty-one ethnic Koreans from the Soviet Island of Sakhalin are suing the Japanese Government in Tokyo District Court for 10 million yen (68,500 U.S. dollars) each in compensation for having been drafted as slave labor in World War II. The unprecedented suit was filed on Wednesday morning, a spokesman for the legal aid association for Sakhalin Koreans said.

The Koreans were drafted by Japan during World War II and forced against their will to undertake dangerous work. One of the 21 plaintiffs, Chin Ki-sang, 76, was taken to a coal mine in Sakhalin in October 1943 by the Japanese. If the Koreans win the suit, they will file a class action seeking payment for their labor and 50 billion yen compensation for the more than 43,000 Koreans drafted to Sakhalin on behalf of the survivors and bereaved families.

Wednesday's suit charges Japan colonized Korea by military force in August 1910 and conscripted a large number of Koreans forcibly under its General Mobilization Act, promulgated in April 1938.

"Japan sent many Korean laborers to mine fields in Sakhalin, which was its territory at the time... After it was defeated in the war and Sakhalin again became Soviet territory, Japan returned the Japanese from 1948 but did not fulfill the obligation of returning the Koreans and has since nullified the yearning of Sakhalin Koreans to be reunited with their families and visit their native land."

Chin claims he was sent to a coal mine in Sakhalin on Oct. 20, 1943, with 47 other Koreans and worked more than 12 hours a day down the shaft. He and his fellow miners were forced to continue the work after Soviet forces occupied the island, and Chin was caught by the Soviet guards during an escape attempt and put in prison for a few years. In a statement timed with the suit, the legal aid association for Sakhalin Koreans demanded Japan pay compensation for "the undescribable damage to our people."

"It is extremely deplorable that Japan neither recognizes its responsibility nor compensates even now, more than 40 years after the war. Japan drafted our people as a means of war and manhandled them as slaves, soldiers and comfort girls.

"Many died tragically under the inhumane treatment of Japan and many are still missing. The offender Japanese returned home after the war, but the victimized Koreans were left (in Sakhalin) and many of them died with their dream of returning home unfulfilled," the statement said.

It said Japan's claim that the 1965 Korea-Japan Normalization Treaty concluded all problems between the two nations was "nonsense," citing the West German example of compensation for Jews for World War II atrocities. West Germany paid 3 billion deutsch marks to Israel, 450 million marks to the Jews conference, and 48 billion dollars to survivors and their families in 1952, and five German companies including Farben, Siemens and A.E.G. paid 51.93 million marks in compensation for the 14,878 Jews they put to forced labor, the statement said.

"After World War II, the United States and Canada expressed regret for having interned (thousands of) citizens of Japanese extraction in camps for three years from 1942. The United States paid 20,000 dollars each to 60,000 Japanese and Canada 21,000 Canadian dollars each to 12,000 Japanese," it said.

The statement also demanded Japan tell the truth about the forced draft of Koreans, including deaths and disposal of bodies, apologize for its atrocities, and take responsibility for Koreans injured or killed in the atomic bombing of Japan, where they had been taken against their will.

Wednesday's suit is likely to be followed by another in October. The Korean Association of Bereaved Families of Pacific War Victims said earlier this month that it would file a class action suit with the Tokyo District Court in October for compensation for the suffering inflicted on Koreans under colonial rule.

The Governments of Korea and Japan signed the Normalization Treaty in Tokyo in 1965 and Japan agreed to pay Korea 500 million dollars. There was a strong protest from opposition political parties and the general public that the money was insufficient and that there was no admission of guilt by the Japanese. Japan has ignored all demands for compensation since then, saying everything was settled between the two governments.

Delegation Visits Chinese Council Chairman

SK2908022490 Seoul YONHAP in English 0155 GMT 29 Aug 90

[Text] Beijing, Aug. 29 (YONHAP)—Members of a South Korean economic delegation paid a courtesy call to Bo Yibo, honorary chairman of the China Council for Promotion of International Trade (CCPIT), on Tuesday afternoon.

Bo, one of China's most influential senior leaders, was quoted as saying, "Economic exchanges between South Korea and China is to be developed gradually on a private sector basis."

According to the Koreans, members of the International Private Economic Council of Korea (IPECK), Bo's statement reiterated the Chinese stance that it will take time for Korea-China economic exchanges to develop into government-to-government contact. The vice chairman of the Chinese Communist Party's central advisory commission is often called a member of the "new gang of four," along with President Yang Shang-kun, vice president Wang Zhen and Prime Minister Li Peng. Echoing the stance of Bo, CCPIT Chairman Zheng Hong-ye also emphasized the importance of economic exchanges on a private sector level, when he was a guest of a party hosted by IPECK Chairman Yi Han-pin Tuesday night.

Daewoo To Sell Mongolia Phone, Radio Equipment

SK2908011890 Seoul YONHAP in English 0035 GMT 29 Aug 90

[Text] Seoul, Aug. 29 (OANA-YONHAP)—Daewoo Corp. of South Korea will sell 30 million U.S. dollar's worth of digital switching equipment, fiber optics and broadcasting equipment to Mongolia, a company spokesman said Wednesday.

Daewoo officials reached an agreement with the Mongolian Government in Ulaanbaatar on Aug. 23 and the contract will be formally signed in late September or early October, when Mongolian representatives come to Seoul, he said. The deal comprises a 69,000-line time division exchange (TDX), installation of a 120-channel fiber optic network stretching 60 kilometers between Ulaanbaatar and Dzunmod and construction of radio and television systems. A second group of Daewoo officials will visit Mongolia in mid-September to work out details, the spokesman said.

Daewoo's exports to the Asian country have grown in recent years, including 1.2 million dollars in contracts between January and June for disposable syringes, batteries and sewing machines. Daewoo heads the Mongolian committee of the international Private Economic Council of Korea. South Korea and Mongolia established diplomatic ties on March 26.

Diplomatic Relations Resume With Nicaragua

SK2908043590 Seoul Domestic Service in Korean 0300 GMT 29 Aug 90

[Excerpt] The Ministry of Foreign Affairs today announced that our country and Nicaragua reached an agreement to resume diplomatic relations, which had been suspended since 1982, beginning 23 August [as heard].

Our country and Nicaragua established diplomatic relations in 1961. Diplomatic relations were suspended in 1982 because the Sandinista regime of Nicaragua refused to receive the credentials of our country's ambassador, who was also ambassador to Mexico at the time. [passage omitted]

* Prospects for Opposition Merger Detailed

902C0237A Seoul CHUGAN CHOSON in Korean 17 Jun 90 pp 10-13

[Article by political reporter Sim Yang-sop: "Will PPD President Kim Tae-chung and Yi Pu-yong Tie Up?"]

[Text] **Yi Calls a Rumored Tie-Up With Kim "Rubbish"**

Will PPD [Party for Peace and Democracy] President Kim Tae-chung and Yi Pu-yong, a key chaeya [reformist camp] leader, form an alliance for a merger of the opposition camp? A recent series of speeches and actions by the PPD leadership and a chaeya group are prompting people to be all ears to questions like that.

On 22 May, Kim Tae-chung said: "If chaeya starts a machinery shortly for a merger of the opposition camp, it is possible that the PPD and the Democratic Party [DP] will discuss a merger with chaeya anew. I have plans in mind about the two major elections expected for 1992 and running unified candidates in those elections in case the tripartite talks proceed smoothly."

On 29 May, 14 key leaders of "The Committee To Promote a Democratic Alliance for a Masses Party" (Minnyonchu) including Yi Pu-yong and Che Chong-ku quit Minnyonchu and immediately declared an opposition merger movement.

On 2 June, PPD Vice President Choe Yong-kun said: "I met with those leaders who quit Minnyonchu and confirmed their positive resolve to work for a merger of the opposition camp. It is possible for us to unite with chaeya first, instead of with DP."

In the opposition camp lately, more than a few people closely following these developments have predicted a possible tie-up between Kim Tae-chung and Yi Pu-yong. For some time, rumors have had it that Yi Pu-yong had met with Kim Tae-chung in a top secret session prior to his secession from Minnyonchu.

Even among chaeya activists, some suspect that there is something hidden behind the fact that Yi Pu-yong, Che Chong-ku and their group bolted from Minnyonchu less than two months after it was started. The suspicion is growing as Yi Pu-yong and the group, while stressing as loudly as they can the need for an opposition merger, decline comment when it comes to the question of Kim Tae-chung's future course of action, a key issue involved.

In fact, Yi and his group, have reportedly had rapport with Kim Kun-tae, chairman of the Executive Committee of Chonminnyon [the National Democratic Alliance of Korea] (currently in detention), and other "critical supporters" (meaning those who backed Kim Tae-chung in the 1987 presidential election) through frequent contacts even from before their break with Minnyonchu. They thus restored the ties with pro-PPD activists that had been severed at a Chonminnyon convention in early March because of a difference over the issue of chaeya forming a political party. Consequently, some in the political sphere perceive their secession from Minnyonchu as the birth of a new pro-Kim Tae-chung chaeya force.

Needless to say, the Yi Pu-yong side has formally denied the alleged tie-up with Kim Tae-chung, saying "the story is rubbish." Commenting on his alleged top-secret meeting with Kim, Yi said that he is "preoccupied with uniting chaeya into one." "As a matter of common sense, why do I have to see him at this time?" "It was not for effecting the union with any particular side, be it PPD or DP, that we started Minnyonchu," he said, stressing, "a balanced effort for a merger that does not lean toward any political faction is essential at the moment."

In fact, a glance at his record of chaeya activity indicates that Yi can hardly be listed as a "man of the Kim Tae-chung side." He was virtually the only personality not affiliated with any of the three different groups to which chaeya was divided in the last presidential election—the first group supporting Kim Tae-chung as candidate, the second calling for a single opposition candidate, and the third demanding to choose a candidate from the masses.

Yi Held On to "Pure Chaeya" Position Alone

Yi Pu-yong had been working as head of the Secretariat of Mintongnyon [the Federation of Mass Movements for Democratic Unification] when he was taken into custody in the 3 May 1986 Inchon incident. He was in prison at the time of the presidential election. He was insisting on unifying the opposition candidacy based on an alternate leadership plan when the Mintongnyon Central Committee decided to give Kim Tae-chung "critical support." He then sent a message from prison, which, under the title "To My Mintongnyon Comrades," stated that "the 'critical support' decision is wrong and should be reconsidered." Yi then maintained that "we should never allow the division of the conservative opposition parties to create a stir within Mintongnyon which is a mass movement group." As Mintongnyon doggedly refused to accept his demand and, as a result, split into splinters, Yi stayed away from any of them and kept his mouth shut.

Even after his release from prison on 27 February, two months before the 26 April general election, he held on to his "pure chaeya" position. On his release, Yi formed the "Seoul Federation for Democratization Struggle" (Sominturyon, which later became the Anti-DJP General Election Struggle Alliance) in an effort to restore the chaeya movement from all the injuries it had suffered. This group was once misunderstood to be an "anti-Kim Tae-chung organization."

It is an interesting point that this "neutral" position assumed by Yi (a native of Pochon, Kyonggi Province) in the last two major elections was considerably different from those of other chaeya "new leaders" in their forties such as Che Chong-ku, Chang Ki-pyo and Kim Kun-tae (respectively natives of Kosong and Kimhae, both South Kyongsang Province, and Puchon, Kyonggi Province).

Che Chong-ku campaigned for a single opposition candidate in the presidential election but, reading the overwhelming voter disappointment in the two Kims in the wake of their defeat, founded the Hangyore Democratic Party, pushing for a merger of the opposition camp based on the withdrawal of the two Kims and a generation change. However, it is known that Che has developed sympathy with many people from the Honam area [Cholla provinces] during his prolonged involvement in urban movements to protect the interests of the poor.

Chang Ki-pyo was also in prison at the time of the presidential election. He first strongly opposed the Mintongnyon decision to back Kim Tae-chung but, toward the end of the campaign (namely, in early December 1987), publicly assumed the position that "for this time, for the sake of the healing of the Kwangju scar, it is correct that the masses of the Kyongsang provinces come to the assistance of Kim Tae-chung." However, since the two major elections and, in particular, the DJP [Democratic Justice Party]-PPD collaboration last year that put off the scheduled midway appraisal of President No Tae-u's performance, he has developed a deep sense of aversion to the conservative opposition parties. Along with Yi Chae-o, who broke with Mintongnyon against its decision to back Kim Tae-chung at the time of the presidential election, Chang currently remains farthest removed from Kim Tae-chung among chaeya activists.

On the other hand, Kim Kun-tae has steadfastly held to the "critical support" position toward Kim Tae-chung since the presidential election and is known as his most positive backer.

At any rate, after all the meetings and partings, the current situation is that Yi Pu-yong, Che Chong-ku and Kim Kun-tae are on one side with an opposition merger as the common denominator, while Chang Ki-pyo is on the other acting as the "lone secretary" of a chaeya party.

If the alleged tie-up between Kim Tae-chung and Yi Pu-yong is unfounded, then why did Yi, the eldest of the chaeya leaders in their forties, quit Minnyonchu after all?

According to analyses, the reasons are that political developments since his release from prison in early February were considerably different from what he had expected while in prison, and that furthermore, there was a persistent move within Minnyonchu against recognizing him as an orthodox activist of the masses movement.

Yi's assessment of the situation drastically changed during the upheaval this spring.

Yi Pu-yong had said in early February: "It is my judgment that our society has material foundations that allow the forces in power to steadily proceed with reform policies. The start of the DLP [Democratic Liberal Party] significantly increased that possibility and fields for the conservative opposition parties will likely become increasingly narrower in the future."

He said in late May: "Judging from what the DLP is doing, it seems that a conservative vs. reformist setup is still premature. A separate chaeya party will only add to the division inside the opposition camp and assist the DLP plot to prolong its rule through a constitutional amendment for cabinet system."

These remarks indicate that in a matter of a few months Yi's political stance shifted from "buildup as a political force first" to "merger first." Especially, Yi seemed most annoyed by those pro-masses party elements in Minnyonchu showing an exclusive attitude against him, almost to excesses.

Embarrassed as Rumor Came When Merger Move Just Started

Those masses party advocates, holding numerical superiority in Minnyonchu's lower branches, were against recognizing Yi, an ex-journalist, as the heir of the masses movement. It is a fact that when Minnyonchu was inaugurated, they organizationally blocked Yi from becoming a co-chairman, and that they openly denounced the Yi side, spreading the word that "he is qualified to join PPD or DP."

Anyhow, Yi has now embarked on the cause of an opposition merger in earnest. He has been extremely embarrassed as the allegations of a tie-up with Kim Tae-chung came at the time when he had just launched a "pure merger" movement. Then, what is his position concerning the question of Kim Tae-chung's stepping back to a second line, which is the key issue in the opposition merger controversy in which Yi is "misunderstood"?

It appears that Yi and other former Minnyonchu leaders do not necessarily see Kim Tae-chung in so negative a light. First of all, they seem to take the position that inasmuch as Kim Tae-chung came forward saying he would go for the merger, they cannot but recognize him as a political "real power."

Also, they seem to be in a plight where they cannot reject Kim Tae-chung, because they fought together for democracy in the past, and because the chaeya cause gives higher priority to a joint struggle to thwart the DLP plot for a "prolonged rule" than to arguing about political merits and demerits.

In this connection, Yi Pu-yong said "Mr Kim Tae-chung is with us inside the pro-democracy camp in a broad sense. He should therefore be regarded as a political entity with which we must fight together, arguing, if necessary, over whatever differences there may be." In reference to the question of Kim Tae-chung's future course of action, he assumed a cautious stance, saying: "When a merger machinery is set up in the future, the question will be taken up there. Principles and ways and means of the merger will be finalized through due processes including public hearings."

Meanwhile, Che Chong-ku said, "More important than the question of whether or not to back Kim Tae-chung as an individual is for us to secure the support of the masses in the Cholla provinces." "It is a task yet to be resolved," he added, "to find an answer for the masses of Cholla provinces with their emotional question 'Do you mean that Cholla people cannot even be president of an opposition party?'" Che's remark seems to epitomize the agony of chaeya's merger faction coming from the fact that the question of Kim Tae-chung's stepping aside is not a mere issue dealing with an individual's future but is directly connected with the issue of regional division.

Assuming that the position of Yi, Che and other members of the merger faction is to accept as reality that the masses' political consciousness find expression in regional consciousness, ruling-opposition consciousness and class consciousness in that order and, on the basis of that reality, to approach solving problems, it can be said that the position of Chang Ki-pyo and others promoting a new chaeya party is that since regional consciousness and ruling-opposition consciousness are distorted ones after all, they should attempt to find a breakthrough through a frontal assault.

Since a fairly large number of people from the "critical support" group for Kim Tae-chung, including those in Chonminnyon, the Honam sphere and some religious circles are expected to take part in the chaeya machinery to be formed in the future to work on an opposition merger, apparently it will by no means be an easy task for Yi Pu-yong and his group to find a settlement on the question of Kim Tae-chung stepping aside to a second line.

"Merger Group" Has Long, Hard Fight; Kim May Come Off Stronger

As for Kim Tae-chung, he must have figured that drawing chaeya into the merger has a merit far greater than a one-on-one merger between the PPD and the DP. It is possible to assume that it could change the anticipated apportionments, including that of delegate seats, from a 5 to 5 balance to a 4-4-2 or even a 5-3.5-1.5 setting. According to some analyses, at least half of the chaeya forces taking part in the merger cause will be pro-Kim Tae-chung and, consequently, it will, whichever is the case, benefit Kim Tae-chung a great deal.

It is a common view that Kim Tae-chung has been using chaeya as a fulcrum for a comeback whenever he found himself in a tight corner throughout his struggle with "trying political adversity" since his defeat in the 1971 presidential race with President Pak Chong-hui. His anti-Revitalization Reform struggle in the 1970's, his 1980 attempt to stir up out-of-parliament winds through chaeya and student movements during the three-Kim contest for Presidency, and the solidarity with chaeya he mounted in the last presidential and general elections offer some of the examples in this respect.

Especially, on 16 January 1988, right after his defeat in the 1987 presidential election, Kim Tae-chung said that "it is possible that I would step back to a second line if the three parties, RDP [Reunification Democratic Party], PPD and chaeya come to merge." At the time the voter demand for an opposition merger was as strong as it is today. Under the pressure of public opinion, he actually retired briefly as PPD president but returned immediately following the PPD general election victory.

Therefore, this is not the first time that Kim commented on a three-party opposition merger. It can be said that under the internal pressure within PPD from Assemblymen Yi Hae-chan and Yi Sang-su and their group who signed a statement calling for the merger, as well as the external pressure of a national demand for the same, he is again attempting to draw chaeya to his side and push for a three-party merger.

Will his "crisis management strategy" be successful? A general observation is that although he has been making use of chaeya as his "jewel" since the 1970's, things have drastically changed. The point is that he no longer has chaeya's confidence as its "godfather" because of the division in the last presidential election, the "Big Compromise" in the process of resolving the Fifth Republic scandal and the attempt he made at a DJP-PPD coalition government. It is even said that an "anti-Kim Tae-chung force" has grown to a considerable degree in chaeya activity in the past two or three years. Some note that it was because he himself had recognized change in the chaeya configuration that he published his view "on a sound chaeya" last year.

In short, if the chaeya movement for an opposition merger proliferates to involve the whole chaeya, it would be impossible to rule out the possibility that it will backfire and drive Kim Tae-chung into a blind alley.

Needless to say, the success of an opposition merger depends on Kim's "will" and "decision." As a matter of fact, however, in connection with his recent remark that he "will make clear my merger plan after the Chongwadae meeting (scheduled for mid-June)," even those inside the pro-merger chaeya faction are visibly concerned, saying that "no one knows what kind of a bargain he will strike with Chongwadae this time."

On the other hand, the anti-merger chaeya faction including those remaining in Minnyonchu are warning that Yi Pu-yong and his group—who quit Minnyonchu and started the "Federation for Democratization Struggle" in the past—might fail to properly untangle the heavily entangled merger problems and end up only strengthening PPD as sought by "wily" Kim Tae-chung. It is felt that the road ahead of Yi Pu-yong and his merger group is both long and rough.

Purposes for Election Law Revision Plan Cited

SK2908031490 Seoul THE KOREA TIMES in English 29 Aug 90 p 2

[By staff reporter Sin Hak-nim]

[Text] Government party leader Kim Yong-sam's surprise revelation of a plan to revise the National Assemblymen Election Law appeared to be designed for a number of purposes.

First of all, it is ostensibly aimed at luring the opposition parties to return to the National Assembly which they have boycotted since last month. All of the lawmakers of the Party for Peace and Democracy [PPD] and the

Democratic Party tendered their resignations in protest against the unilateral passage of controversial bills in the legislature in July.

After two hours of exclusive talks with President No Tae-u Monday, the executive chairman of the Democratic Liberal Party [DLP] said that he and No agreed on the need to revise the election law to divide densely-populated districts in urban areas.

To set off the increase in the total number of lawmakers, the number of Assemblymen to be elected under the proportional representation system may be cut, Kim said. Under the current parliamentary election law, 75 lawmakers or a fourth of the total number of 299, were elected from the national constituency. Kim's overture instantly triggered a keen response from the PPD. Though the PPD still refuses to come up with negotiations over its return to the parliamentary forum, its floor leader Kim Yong-pae said, "Our party has no reason to oppose the rearrangement of electoral districts in proportion to the number of population."

A key aide to Kim Yong-sam said, on condition of anonymity, "Executive chairman Kim's card successfully disturbed opposition members refusing to come back to the House."

The PPD responded so acutely to the DLP move to revise the law because the rearrangement of electoral districts is the foremost question to the incumbent lawmakers and aspirants for seats at the next Assembly elections.

"The announcement of a plan to revise the law must have been shocking news to politicians just as the government's announcement of a plan to realign industrial structure would have put business conglomerates on the high alert," said another aide to Kim. In addition, the reduction of the number of lawmakers to be elected from the national constituency under the proportional representation system may cut financial sources for the opposition. Aspirants for Assembly seats and those high on the list of candidates in particular, are customarily obliged to pay up to 2 billion won (about $2.8 million) each to opposition parties or their leaders.

On the other hand, Kim Yong-sam, a 62-year-old eight-term lawmaker who has the most parliamentary experience among the nation's active politicians, also might have intended to use the plan to revise the law as an instrument to firm up his grip over senior members of President No's old ruling party who have recently shown signs of an organized move to "dethrone the three Kims" from political leadership. Along with Kim Yong-sam, Kim Chong-pil serves as a co- chairman of the DLP while Kim Tae-chung, president of the major opposition PPD, still maintains his absolute influence over the opposition.

Of late, Kim Yong-sam has come under fire for his alleged overuse of political funds mainly in boosting his own political image when a senior member of the mainstream faction composed of No's followers tipped off news media.

Making public the accounts of the secretariat office for Kim, his aides denied the report as "totally untrue." Kim burst with anger, buffeting secretary general Pak Chun-pyong, who is in charge of operating party funds, and instructed him to search for those involved in the "disinformation."

Capitalizing on loosened discipline in officialdom shown in the group protests by Construction Ministry officials, he accented enforcement of discipline in officialdom and the DLP hierarchy to President No Monday, according to an aide to Kim.

After winning support from the President, who heads the DLP, Kim, who is quick in political games, announced at his party office that his party will complete the revision of the election law during the regular session of the National Assembly to open on Sept 10. Senior DLP members and potential runners in the next parliamentary elections were also frightened at the party leader's apparently premature revelation of the plan.

Coupled with the announcement of the plan on the election law revision, the ruling camp's readiness to legislate to allow the government to invest various public funds in stock markets has something to do with the desperate moves of the DLP to press the opposition to return to the Assembly.

Earlier, Kim Tae-chung called upon the administration to pave the way for various public funds to be used to purchase securities to prevent their prices from nose-diving.

"If and when the ruling party tries to deliberate the legislation for that purpose, what will Kim Tae-chung do?" a senior DLP member questioned. A reshuffle of key party officials including floor leader Kim Tong-yong was once considered but the plan was shelved to wait until the opposition moves to create a unified party bear fruits or break down completely.

Current Account Balance Returns to Surplus

SK2908025290 Seoul THE KOREA TIMES in English 29 Aug 90 p 9

[Text] Korea recorded a surplus in July in its broadest measure of external transactions, which include merchandise and service trades as well as cross-border cash transfer, the first this year.

But Iraq's invasion of Kuwait has dampened hopes for the nation's improvement of the current account and oil-dependent Korea will be sure to register a deficit again at least in August, analysts said.

The Bank of Korea reported yesterday that the current account in July returned to a long-awaited surplus of 525 million U.S. dollars after six consecutive monthly deficits. Korea posted two consecutive monthly trade surpluses in June and July of 83 million dollars and 518 million dollars. Merchandise exports grew by 7.6 percent while imports expanded by 4.0 percent in July from a year ago, the central bank added.

In the invisible trade account, the nation posted a deficit of 10 million dollars in July, compared with a 108 million dollars deficit in June. The net transfer account—the third and last category of the current account—registered a surplus of 16.8 million dollars in July, compared with a surplus of 8 million in June and a deficit of 3.5 million in July last year. The July data indicated signs of recovery in the nation's export front. But the sudden crisis in the oil-rich Middle East put a dent in the nation's fragile recovery in merchandise trade, analysts said.

The current account will revert to a deficit figure again from August, they added. Between the 1st and the 24th in August, Korea's customs-cleared trade account widened to as much as 1,040 million dollars, according to the Customs Office. The figure suggests that the August current account will be in the red again, a central bank official said.

A closer look into the July data indicates that the improvement of the current account was made by the reduction of imports and the government's vigilant crackdown on outflow of capital, not by a strong recovery in exports, analysts said.

The January-July trade account amounted to a deficit of 863 million dollars, compared with a surplus of 2,456 million dollars in the same period of last year. For the first seven months, exports grew by 1.5 percent while imports expanded by 12.1 percent. The January-July invisible trade account showed a total deficit of 248 million dollars against a surplus of 199 million dollars in the same period last year. The account tracks cross-border movement of service charges, insurance premiums, investment and travel expenses. The January-July net transfer surplus amounted to 211 million dollars last year, compared with a surplus of 68 million dollars this year.

The central bank said the nation's foreign exchange holdings, including dollars and gold, increased by 960 million dollars in July to 15,628 million dollars. Korea's trade deficit with Japan widened to 3,401 million dollars in January-July this year from 2,300 million dollars in the same period last year.

U.S. trade deficit with Korea was halved to 1,246 million dollars in the first seven months of this year from 2,651 million dollars in the same period of last year, the central bank said. The January-July trade account between Korea and the EC reverted to a deficit of 243 million dollars, compared with the 1989 Jan.-July surplus of 590 million dollars, the central bank added.

Brunei, Malaysia & Singapore

Malaysia

'Prominent' Malaysians Quit Economic Council

BK2908074690 Hong Kong AFP in English 0728 GMT 29 Aug 90

[Text] Kuala Lumpur, Aug 29 (AFP)—Five prominent Malaysians have quit a multi-racial economic council directed by Prime Minister Mahathir Mohamed to frame an economic blueprint for the post-1990 period in a bid to reduce bickering between races.

In a letter to the chief government secretary circulated Wednesday they said that their decision was prompted by Dr. Mahathir's announcement a week ago that the council's proposals would not be binding on the government.

The five are Ahmad Noordin Zakaria, a former top government official, Chandra Muzaffar, the president of Aliran, a reform movement, Sanusi Osman, an opposition politician, university lecturer Jomo Sundram and lawyer Chooi Mun Sou.

Their decision to quit the 150-member National Economic Consultative Council (NECC) follows resignations earlier this year which took a group of ethnic Chinese educationalists and top officials of the opposition Democratic Action Party (DAP) out of the body.

Dr. Mahathir set up the council in January last year, arguing that it was necessary to put the debate on future economic policy behind closed-doors to avoid fuelling tensions between the country's many races. The council, comprising a cross-section of Malaysian society, was entrusted with the task of drawing up a successor to the New Economic Policy (NEP) widely criticised by non-Malay groups for its pro-Malay bias. Ethnic Chinese groups say the 20-year NEP programme, framed during race riots in 1969, overwhemingly favoured ethnic Malays who wield much political influence and make up a little over half of Malaysia's 17 million people.

The five who quit accused Dr. Mahathir of insincerity in not honouring an earlier government pledge to accept the council's recommendations due to be submitted to the government soon. "The NECC report has not yet been presented to the government. Nevertheless without even prior consultation with the cabinet, the prime minister has prepared an excuse for rejecting it," the five said in their letter. "It is clear that the government, especially the prime minister, is insincere and undemocratic and regards us as mere performers in the NECC farce," they said.

Dr. Mahathir said in a major policy speech here on August 22 that the resignations of top ethnic Chinese leaders from the DAP and the Chinese educationists had quashed government hopes of striking a consensus on economic policy. He said that the government was no longer bound to accept the council's recommendations. "We are back to square one where the government has to formulate and devise the economic policy by itself," he said.

A senior official in Dr. Mahathir's United Malays National Organisation said that the spate of resignations from the council headed by a former foreign minister, Ghazalif Shafie, had not come as a surprise. "It only shows that the extremists are not getting their way on the council, so they have to discredit it," he said.

But analysts said that the row could once again return the highly sensitive debate on economic policy to the public arena fuelling ethnic rivalries ahead of a general election that Dr. Mahathir must call before October next year.

"The resignations show that the government pledge to consult all groups is nothing more than a sham. There has been no real attempt to get the views of others," DAP Secretary-General Lim Kit Siang said.

Dr. Mahathir has said that while the basic thrust of the NEP to help ethnic Malays and other "bumiputras" or native groups catch up with wealthier Chinese will continue, the post 1990 programme will not hurt economic growth now running at some 10 per cent. "It would be meaningless and a contradiction to destroy the economy in order to give them (bumiputras) their fair share," he said.

Singapore

Gulf Crisis To Cause Rise in Air Fares 1 Sep

BK2908053890 Hong Kong AFP in English 0515 GMT 29 Aug 90

[Text] Singapore, Aug 29 (AFP)—Fares of major airlines, including Singapore Airlines (SIA), are to rise by five to 10 per cent from Saturday because of increased fuel costs due to the Gulf crisis, an SIA spokesman said Wednesday. The spokesman said the fare hikes were decided at a meeting here Tuesday of the Intra-Orient Marketing Progrmme (IMP), which sets guidelines on minimum airfares to and from Singapore for about 20 airlines. The rises will not be binding on tickets bought earlier but used for travelling after September 1.

Besides SIA, IMP comprises Swissair, British Airways, Cathay Pacific and Thai Airways International. The SIA spokesman said non-IMP airlines would likely follow with their own fare increases.

Under the new rates, fares to Southeast Asian countries, as well as Taiwan, Japan, South Korea, Australia and the Indian subcontintent, will go up by seven per cent. Fares to Europe will cost five per cent more while those to the Middle East will be increased by 10 per cent.

The spokesman said the fare hikes were necessitated by the rise in fuel prices, which shot up by about 40 per cent following Iraq's invasion of Kuwait on August 2. SIA officials say that a rise of one U.S. cent per gallon of oil raises the airline's fuel bill by about 9.5 million Singapore dollars (5.4 million U.S.) annually.

Cambodia

Lao National Assembly Delegation Leaves 28 Aug

BK2808141590 Phnom Penh Domestic Service in Cambodian 1100 GMT 28 Aug 90

[Text] At 1330 on 28 August, the delegation of the Lao Supreme People's Assembly [LSPA] led by Comrade Nouhak Phoumsavan, member of the Lao People's Revolutionary Party [LPRP] Central Committee Political Bureau and chairman of the LSPA, returned home after having successfully completed its four-day official friendship visit to the State of Cambodia.

Seeing off the delegation at the Pochentong airport were Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of both the National Assembly and the front National Council; Comrade Nu Beng, vice chairman of the National Assembly; Comrade Chan Ven, secretary general of the State of Cambodia's Council; and Comrade Cheam Yiep, deputy of the Prey Veng constituency; as well as several cadres and staff from central services and offices and over 600 Phnom Penh residents. Comrade Thongsoukhoun Phounsavan, Lao ambassador to the State of Cambodia, was also present.

Communique Issued

BK2808141790 Phnom Penh Domestic Service in Cambodian 1100 GMT 28 Aug 90

[28 August "Communique on the Outcome of the Official Friendly Visit of Comrade Nouhak Phoumsavan, Member of the Political Bureau of the Lao People's Revolutionary Party Central Committee and Chairman of Laos' Supreme People's Assembly"—read by announcer]

[Text] At the invitation of Comrade Chea Sim, member of the Political Bureau of the Kampuchean People's Revolutionary Party [KPRP] Central Committee and chairman of the State of Cambodia's National Assembly, Comrade Nouhak Phoumsavan, member of the Political Bureau of the Lao People's Revolutionary Party [LPRP] Central Committee and chairman of the Supreme People's Assembly [SPA] of the Lao People's Democratic Republic [LPDR], paid an official and friendly visit to the State of Cambodia from 25 to 28 August 1990.

During their stay in Cambodia, Comrade Nouhak Phoumsavan and other delegation members laid wreaths and paid homage to the memory of combatants fallen in the cause of the Cambodian revolution at the Unknown Soldier Monument and paid courtesy calls on Comrade Heng Samrin, general secretary of the KPRP Central Committee and chairman of the Council of State; Comrade Hun Sen, member of the Political Bureau of the KPRP Central Committee, chairman of the Council of Ministers, and minister of foreign affairs of the State of Cambodia [passage indistinct] the delegation visited the Tuol Sleng Museum of Genocide, the Cheung Ek mass graves, and a number of cultural and economic centers in Phnom Penh and Kandal Province. Wherever it went, the delegation was cordially and warmly welcomed by local party committees and people's committees and the Cambodian people with a profound feeling of close fraternal solidarity.

Comrade Nouhak Phoumsavan, member of the Political Bureau of the LPRP Central Committee and chairman of Laos' SPA, held talks with Comrade Chea Sim, member of the Political Bureau of the KPRP Central Committee and chairman of the State of Cambodia's National Assembly. In an atmosphere of friendship, cordiality, and fraternal sincerity, the two sides exchanged views on the regional situation, the international situation, and experiences in parliamentary affairs of the two countries. They agreed with each other on all issues raised.

Comrade Chea Sim informed Comrade Nouhak Phoumsavan on the situation in Cambodia, especially since the Vietnamese volunteer troops completely withdrew from Cambodia. He also briefed him on the success made by the Cambodian Armed Forces in taking charge of their own national defense duty, the progress of socioeconomic development efforts, and the stand of the State of Cambodia on a Cambodian solution.

Comrade Nouhak Phoumsavan expressed warm congratulations and high appreciation of the great achievements recorded by the Cambodian people under the enlightened leadership of the KPRP and admired the efforts of the Cambodian Armed Forces and people in developing their determination to rely on their own forces in overcoming all obstacles and firmly defending the revolutionary gains by holding aloft the banner of independence, peace, and national reconciliation, thus bringing the position and prestige of the State of Cambodia to new heights on the international stage with each passing day.

On behalf of the Lao SPA, Comrade Nouhak Phoumsavan fully supported the goodwill and firm but flexible and correct stand of the State of Cambodia in the search for a solution to the Cambodian problem through negotiations in a bid to bring an early end to the conflict, which responds to the sacred aspirations and interests of the Cambodian people as well as the interests of the peoples of the three Indochinese countries and those in the region. In this spirit, Comrade Nouhak Phoumsavan reaffirmed that the Lao party, government, and people would continue to make all-out efforts to contribute to the search for a political solution to the Cambodian problem on the basis of respect for the Cambodian people's right to self-determination.

Comrade Chea Sim expressed sincere and deep thanks to the LPRP, the LPDR Government, and the fraternal Lao people for according the Cambodian people precious support and assistance in their national defense and reconstruction efforts.

Comrade Nouhak Phoumsavan informed Comrade Chea Sim of the initial successes in implementation of the LPRP's reform policy. Through concrete application, the political situation has become more stable while economic hardship has been reduced and the people's living conditions improved. Economic relations with foreign countries have been steadily liberalized, enabling the LPDR to firmly advance step by step.

Comrade Chea Sim highly appreciated and warmly greeted the achievements made by the Lao people and expressed firm confidence that in implementing the resolutions of the Fourth LPRP Congress and the second five-year plan, especially in implementing the new reform policy in economic construction, the Lao people will achieve yet greater successes. He voiced enthusiastic support for the foreign policy of the LPDR—for instance, in consolidating and expanding good relations with the PRC and the Kingdom of Thailand, which greatly contributes to the maintenance of peace and stability in the region and the world.

The two chairmen expressed deep pride in the excellent development of the fraternal and traditional friendly relations and close all-around cooperation between the parties, governments, and peoples of Cambodia and Laos and considered them the most important factors ensuring the success of the revolutionary cause in each country.

The two chairmen regarded the prevention of the genocidal Pol Pot regime's return to power in Cambodia as indispensable in order to preserve the lives of the Cambodian people. They considered the Tokyo joint communique a progressive step toward implementation of the Cambodian people's right to self-determination through free and democratic general elections, which is a comprehensive solution to the Cambodian problem. In this spirit, the two sides appealed to parties involved to implement the Tokyo joint communique in order to effect a voluntary cease-fire, which [words indistinct] makes free general elections possible.

The two chairmen welcomed all efforts by various countries to find a political solution for Cambodia on the basis of the Cambodian people's right to self-determination. They greeted and welcomed the U.S. policy shift regarding the Cambodian seat at the United Nations, which responds to the desire of the Cambodian people and peace- and justice-loving international opinion and which would make it possible for the United Nations to play a role in the Cambodian solution.

The two chairmen greeted and highly valued all the multifarious achievements made by the fraternal Vietnamese people in implementing the new reform policy of the Vietnam Communist Party. They stressed that the bonds of solidarity, friendship, and close all-around cooperation among Cambodia, Laos, and Vietnam constitute the factor ensuring the permanence and growth of the revolution in the three fraternal countries.

At the same time, the two chairmen reiterated the prerequisite importance of the bonds of solidarity, friendship, and cooperation with the USSR, socialist countries, and all friendly countries throughout the world in the social, economic, and political development of each country and in contributing to the defense of regional and world peace and stability.

The two chairmen expressed concerns over the tense situation in the Gulf region, and appealed to the parties involved to join hands in finding an early peaceful solution to the conflict for the sake of peace and stability in the region and the world.

Comrade Chea Sim highly appreciated the outcome of this visit, which reflects the new development in the bonds of close solidarity and firm cooperation between the parties, governments, and people of Cambodia and Laos.

Comrade Nouhak Phoumsavan expressed deep and sincere thanks to the fraternal Cambodian party, government, and people for according his delegation solemn, warm, and cordial hospitality replete with cordial fraternal feelings.

On behalf of the Lao SPA, Comrade Nouhak Phoumsavan invited Comrade Chea Sim, member of the Political Bureau of the KPRP Central Committee and chairman of the State of Cambodia's National Assembly, for a visit to the LPDR. On behalf of the State of Cambodia's National Assembly, Comrade Chea Sim accepted the invitation of the Lao side with pleasure.

Phnom Penh, 28 August 1990

PRACHEACHON Hails Visit

BK2908055990 Phnom Penh Domestic Service in Cambodian 2300 GMT 28 Aug 90

[PRACHEACHON editorial: "A New Step in the Development of the Relations of Solidarity, Friendship, and Close Cooperation Between Cambodia and Laos"]

[Text] The official friendly visit by the Lao Supreme People's Assembly [LSPA] led by Comrade Nouhak Phoumsavan, member of the Political Bureau of the Lao People's Revolutionary Party Central Committee and chairman of the LSPA, ended with fine results under the warm acclaim of the fraternal Cambodian and Lao people.

On the basis of the relations of solidarity and friendship and traditional cooperation among the three people of Cambodia, Vietnam, and Laos, particularly between Cambodians and Lao, this visit by the comrade chairman of the LSPA has greatly contributed to strengthening and expanding the relations of solidarity, friendship, and fine cooperation between the two countries' parties, governments, and people. This is during the historic phase of the struggle of the two countries' people to achieve the motherlands' brilliant cause and to contribute to safeguarding peace and stability in the region and the world.

The working sessions between Comrade Nouhak Phoumsavan and delegation with the State of Cambodia's party delegation led by Comrade Heng Samrin, general secretary; the talks between the Cambodian National Assembly delegation led by Comrade Chea Sim, National Assembly chairman; and the meetings with Comrade Hun Sen, chairman of the Council of Ministers, and with Comrade Sim Ka, secretary of the Phnom Penh city party committee, clearly reflect the unanimous views on every issue raised, including new issues relating to each county, regional problems, and important international issues.

Concerning the Cambodian problem, the two sides expressed pride and satisfaction with the capability of the Cambodian revolutionary forces to assume themselves the tasks of defending and building the country and pointed out the goodwill of the State of Cambodia, which is currently attracting unprecedented sympathy from the public and the world. This is in contrast to the Pol Pot-Sihanouk-Son Sann tripartite alliance which is becoming highly isolated in the international arena.

The two sides agreed on the necessity to push for implementation of the Tokyo joint statement to contribute to advancing the process to search for a solution to the Cambodian problem through peaceful and political negotiations based on the respect for the Cambodian people's vital interests. They have clearly determined that preventing the return to Cambodia of the genocidal Pol Pot regime is necessary to safeguard the Cambodian people's lives.

The two fraternal sides affirmed the lofty determination to continue expanding and strengthening the force of solidarity and friendship and close cooperation between the two parties, governments, and people on the basis of wholehearted mutual assistance in accordance with the principles of equality, fraternity, and mutual benefit. They clearly defined the common direction of the two people's struggle and pledged to overcome all difficulties and obstacles by pursuing every possibility and new favorable factors aimed at successfully achieving socio-economic and political progress in their respective countries.

At a time when our army and people are carrying out heavy but noble tasks to continue expanding the advantage of revolutionary forces on every battlefield to block and thwart every attempt by the Pol Pot-Sihanouk-Son Sann tripartite alliance to topple the State of Cambodia and pave the way for the genocidal Pol Pot regime's return, our people are very happy with the brilliant success of the visit by the LSPA delegation to the State of Cambodia. Our people express profound thanks to the Lao party, government, and people who, in all situations and circumstances, have provided sympathy and wholehearted moral and material assistance to our people's just struggle. Our people pledge to do their best to nurture the Cambodian-Lao relations of solidarity and friendship and close cooperation and consolidate them in order to achieve more results as clearly set out by our party, according to which the deployment of efforts to constantly increase the Cambodian-Vietnamese-Lao and Cambodian-Lao relations of militant solidarity, friendship and cooperation is a necessary, strategic, and unavoidable task.

Through the high-ranking delegation, our Cambodian people would like to convey to the Lao people sentiments of love and respect and the spirit of militant solidarity and wish the Lao people, under the correct leadership of the Lao People's Revolutionary Party, greater victories in the second five-year plan in accordance with the economic restructuring and reforms aimed at building a developed and advanced Lao People's Democratic Republic. We consider that the Lao people's victories are also the Cambodian people's. A strong Laos means a strong Cambodia.

Defense Official Receives Outgoing Soviet Envoy

BK2908055590 Phnom Penh Domestic Service in Cambodian 1200 GMT 28 Aug 90

[Text] At the 13 October Guest House, Comrade Lieutenant General Pol Saroeun, alternate member of the party Central Committee Political Bureau, deputy defense minister, and chief of staff of the Cambodian People's Army [CPA], recently received Comrade Rashit Khamidulin, ambassador extraordinary and plenipotentiary of the USSR to the State of Cambodia, who paid him a courtesy call.

On this occasion, Comrade Lieutenant General Pol Saroeun, alternate member of the party Central Committee Political Bureau, deputy defense minister, and chief of staff of the CPA, talked about the general situation along the Cambodian-Thai border following the complete repatriation of Vietnamese volunteer troops from Cambodia where the three enemy groups attempted to cut off a number of provinces and use them as a springboard to topple the State of Cambodia. However, every enemy attempt was vigorously counterattacked by the State of Cambodia's Armed Forces leaving hundreds of enemy soldiers' bodies on the battlefield.

In the past dry season for instance, the CPA achieved outstanding results and scored great victories on every battlefield, such as in the Treng area, the National Route 10 section, Svay Chek, and the sections of National Routes 69 and 68. More recent victories were scored in Kompong Thom Province where the three enemy groups were dealt very serious blows.

Comrade Lieutenant General Pol Saroeun also thanked the Soviet party, state, and people for their moral and material assistance to the State of Cambodia in its national construction and defense efforts. Once again, on behalf of the Cambodian party, government, and people, he wished the comrade ambassador good health and greater, new successes upon returning home. He said he hopes the relations of friendship between the two countries will become closer and last forever.

Replying, Comrade Soviet Ambassador Rashit Khamidulin expressed sincere admiration for the rapid all-around development of the State of Cambodia in the past more than 11 years, particularly the development of the CPA which from day to day has moved forward toward assuming themselves the tasks of defending the motherland. The comrade ambassador also thanked the State of Cambodia's party and government for their assistance in creating all kinds of favorable conditions for the success of his mission to fulfill the tasks assigned by the Soviet party, government, and people. Finally, the comrade said he hopes the relations of friendship and cooperation between the two countries, governments, and people will achieve good results, get firmer, and last forever.

Forces Clear Trade Route at Thai Border

BK2908030190 Bangkok BANGKOK POST in English 29 Aug 90 p 5

[Text] Aranyaprathet—Phnom Penh forces have cleared Route 5 for smoother passage for Thai and Cambodian traders shuttling between Poipet and Battambang or Bantey Meancheay provinces in the west of the war-torn country. Sources in the Heng Samrin force at Poipet said yesterday the governors of the two provinces have instructed troops to clear the strategic route of illegal checkpoints set up by any armed forces, particularly Cambodian resistance forces.

Heavily-armed rapid deployment forces of the Heng Samrin regime have searched the western strip for extortionist rebels. Route 5 covers 115 km from Poipet to Battambang. At least 10 armed men have been killed and 30 others detained at a military prison in Bantey Meancheay since the orders were received last week, the sources said. Those found guilty of extorting traders along the western route could face execution, they said.

Phnom Penh's drives for the guerilla-free passage of trade were designed to promote Thai-Cambodian cross-border trading with traders not having to pay extortionists 200 riels or 14 baht as "checkpoint fees." The Cambodian Government wants to open legal trading checkpoints at Poipet, Ban Toek Thla village, 10 km east of Poipet and Ban Sala Kraham village, 30 km from Poipet.

—In Ta Phraya, Burapha Forces, Border Patrol Police and Provincial Police have recently seized 10 stolen vans and trucks about to be smuggled across the border into Cambodia along with a suspect.

Second Infantry Division commander Chainarong Nunphakdi said yesterday most of the stolen vehicles have been seized at Ban Ang Sila, Ban Nong Chan and Ban Non Mak Mun villages in Prachin Buri's border district. Most of those vehicles would be offered to Cambodian soldiers, who have earned some income from border trading, for only 70,000 to 100,000 baht each, said Maj Gen [Major General] Chainarong, who commands the Burapha Force.

The areas across the border opposite Ta Phraya have come under the influence of the Khmer People's National Liberation Front.

Authorities, meanwhile, have been cracking down on war weapons smuggled from inside Cambodia and Indochinese refugees trying to slip out of their camps to look for illegal jobs. However, he said war weapons smuggling on the border has been markedly reduced.

VOK Reports on UN Security Council Plan

BK2908065390 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 29 Aug 90

[Text] The five permanent members of the UN Security Council yesterday fully agreed on peace measures calling on the United Nations to set up an administration in Cambodia until the establishment in Cambodia of a national government through free elections.

The five major powers—the United States, China, Britain, France, and the Soviet Union—issued a joint statement yesterday on a peace plan for Cambodia. A detailed document on this plan will be released in a few days' time. Under the peace plan adopted by the five major powers, the United Nations will control five major ministries: Defense, Foreign Affairs, Finance, Public Security, and Information.

Diplomats have said that in this peace plan, the United Nations will supervise the cease-fire and oversee the disarming of all Cambodian parties, the organization of elections, and the verification of all Vietnamese troops from Cambodia. Diplomats disclosed that although the Vietnam-backed Heng Samrin-Hun Sen regime has publicly stated it will accept a UN role, this regime wants only minor changes in the Vietnam-backed communist regime while the Cambodian resistance movement wants this illegitimate regime dissolved and replaced by the United Nations.

The five major powers have met six times since January this year in Paris and New York. At the meeting in New York, which ended yesterday, Tuesday, the five major powers put the finishing touch on the peace plan to be implemented as part of international efforts for peace in Cambodia. The five major powers have already prepared documents on human rights, free elections, and Cambodia's independence and sovereignty in the future.

Indonesia

Suharto Views Mideast Talks With Lee Kuan Yew

BK2808155590 Jakarta Domestic Service in Indonesian 1500 GMT 28 Aug 90

[Text] President Suharto and Singapore Prime Minister Lee Kuan Yew share many identical views on bilateral, regional, and international issues, which they discussed during their one-hour private talks in Batam today. President Suharto disclosed the two ASEAN leaders' identical views to newsmen at the Batam Airport shortly before he and his entourage returned to Jakarta. The two leaders' identical views include their views on the Cambodian, Middle East, ASEAN, and other issues.

The president said that as far as the Middle East issue is concerned, Indonesia and Singapore believe Iraq's invasion of Kuwait cannot be justified and the issue should be solved through peaceful means. The only way to solve the issue now is to comply with the UN Security Council resolution, which calls for the withdrawal of Iraqi forces from Kuwait. If the issue cannot be solved and a war breaks out, the losers will be Kuwait, Iraq, and Middle Eastern countries, as well as the whole world. The president said a war in the oil-rich Middle East will affect the global economy, which may in turn create global recession. A recession will affect not only industrialized countries, but also developing countries like Indonesia.

Japanese MP Asks Jakarta To Help in Gulf

BK2908081890 Hong Kong AFP in English 0801 GMT 29 Aug 90

[Text] Jakarta, Aug 29 (AFP)—Leading Japanese parliamentarian Michio Watanabe Wednesday asked Indonesia to make use of its good ties with Iraq and Kuwait to help settle the Gulf crisis. "Because Indonesia is a country with friendly ties with both Iraq and Kuwait, it is hoped that it could seek the best way towards peace," Mr. Watanabe, who heads the Indonesia-Japan friendship committee, said after meeting Indonesian President Suharto.

Mr. Suharto Monday offered Jakarta's help as mediator to visiting Kuwaiti Oil Minister Rashid al-'Almiri, who was here as envoy of the Emir of Kuwait.

Mr. Watanabe said he exchanged views on various international problems with Mr. Suharto, including the Gulf crisis and the Cambodian question. Indonesia has hosted a series of regional meeting on Cambodia in a bid to seek a comprehensive solution and together with France co-chairs the Paris International Conference on Cambodia.

Philippines To Get Oil, Not India, Pakistan

BK2908071790 Hong Kong AFP in English 0653 GMT 29 Aug 90

[Text] Jakarta, Aug 29 (AFP)—Indonesia has agreed to sell some of its oil to the Philippines but has turned down similar requests from India and Pakistan, oil officials here have said.

The three countries had approached Indonesia to buy oil to replace some of the Middle East supplies that had been disrupted by the Gulf crisis, the president director of state oil firm Pertamina, Faisal Abda'oe, said Tuesday. Indonesia would fulfill the Philippine requests for political reasons, he said, but meeting the other requests would be difficult as Pertamina had commitments to its traditional buyers. Pertamina sources said Indonesia had agreed in principle to sell its oil to Manila and the two sides were now negotiating on prices. Indonesia and the Philippines are both members of the Association of Southeast Asian Nations.

Mines and Energy Minister Ginanjar Kartasasmita said last week that Indonesia was raising its oil output towards its quota of 1.37 million barrels per day (bpd) set by the Organisation of Petroleum Exporting Countries. The move was aimed at helping ease shortages of developing countries, including neighbouring Philippines which would get some 10,000 barrels per day, he said.

Philippine President Corazon Aquino said this week Jakarta had agreed to sell 300,000 barrels of crude oil, about half of Manila's original request.

Indonesia is currently producing around 1.30 million bpd, some 700,000 bpd of which are exported, mainly to Japan contracts.

Oil Company Director Speaks on Price Trend

BK2808163290 Jakarta Domestic Service in Indonesian 1500 GMT 28 Aug 90

[Text] Faisal Abda'u, director of Pertamina state-owned oil company, said crude oil prices will stabilize at over $20 per barrel as a result of the protracted Gulf crisis. At present, the global oil price still fluctuates due to certain psychological factors. However, experts believe that the global oil price will not return to the level of $15 per barrel.

Speaking in Jakarta today, Faisal Abda'u said while Indonesia sold its Minas brand of crude oil at $14.81 per barrel two months ago, the country then decided to increase the price to $19.19, and this month the price will be increased again to about $27 per barrel.

Laos

Nouhak Phoumsavan Holds Talks With Chea Sim

BK2808110390 Vientiane KPL in English 0858 GMT 28 Aug 90

[Text] Vientiane, August 28 (KPL)—Talks were held in Phnom Penh Sunday morning between the delegations of the National Assembly of the State of Cambodia and the Lao Supreme People's Assembly of the Lao People's Democratic Republic, according to SPK.

The Cambodian delegation was led by Chea Sim, Politburo member of People's Revolutionary Party of Kampuchea Central Committee and chairman of the National Assembly, and the Lao delegation by Nouhak Phoumsavan, Politburo member of the Lao People's Revolutionary Party Central Committee and president of the Lao Supreme People's Assembly.

During the talks, the two sides informed each ether of the developments in their respective countries and focused their attention on the consolidation and strenghthening of the ties of solidarty, friendship, and cooperation between the parties, governments, and peoples, particularly the legislative bodies of Cambodia and Laos.

Returns Home 28 Aug

BK2908040490 Vientiane Domestic Service in Lao 0000 GMT 29 Aug 90

[Text] Nouhak Phoumsavan, member of the Political Bureau of the party Central Committee and chairman of the Supreme People's Assembly [SPA] of the Lao People's Democratic Republic, returned to Vientiane on board a special plane yesterday afternoon after paying a four-day official friendship visit to the State of Cambodia at the invitation of Chea Sim, member of the Political Bureau of the Kampuchean People's Revolutionary Party [KPRP] Central Committee and chairman of the State of Cambodia's National Assembly.

During his stay in the State of Cambodia, Nouhak Phoumsavan met Chea Sim and discussed with him various issues such as the implementation of the restructuring policy in their countries. They also exchanged views on the operation of their national assemblies with the aim of improving the special friendly relations and all-around cooperation between the Lao and Cambodian peoples.

Chaleun Yiapaoheu, alternate member of the Political Bureau of the party Central Committee and member of the SPA Standing Committee, accompanied Nouhak Phoumsavan for the visit to the State of Cambodia. He told reporters at Wattai airport that Nouhak Phoumsavan also met with Heng Samrin, general secretary of the KPRP Central Committee and chairman of the Council of State; Hun Sen, member of the Political Bureau of the KPRP Central Committee, chairman of the Council of Ministers, and minister of foreign affairs for the State of Cambodia; and members of party and administrative organizations of Phnom Penh. He also visited several production bases in Phnom Penh and Kandal Province. He noted that the visit was successful and useful for the two countries' national assemblies and contributed to the further strengthening of special relations and militant solidarity between Laos and Cambodia.

Women's Union Delegation Leaves for Vietnam

BK2908095190 Vientiane KPL in English 0907 GMT 29 Aug 90

[Text] Vientiane, August 29 (KPL)— A delegation of the Lao Women's Union Central Committee led by its president, Mrs. Onchan Thammavong, member of the LPRP CC [Lao People's Revolutionary Party Central Committee], left here on August 28 for the Socialist Republic of Vietnam on a ten-day visit at the invitation of the Vietnam Women's Union.

The visit is aimed at exchanging experiences and strengthening of the friendship and solidarity between the women's organizations of Laos and Vietnam. The Lao women delegation, after staying in Hanoi, will also visit Ho Chi Minh City.

The delegation was seen off at the airport by members of the standing committee and other officials of the Lao Women's Union Central Committee.

Nguyen Xuan, ambassador extraordinary and plenipotentiary of the SRV to the Lao PDR [People's Democratic Republic], was also on hand.

Phoumi Vongvichit Receives New Yugoslav Envoy

BK2908094790 Vientiane KPL in English 0909 GMT 29 Aug 90

[Text] Vientiane, August 29 (KPL)—Acting President of the Lao PDR [People's Democratic Republic] Phoumi Vongvichit yesterday received here Dr. Svetozar Jovicevic, who on this occasion presented to the acting president his credentials as new ambassador extraordinary and plenipotentiary of the Federal Socialist Republic of Yugcslovia to the Lao PDR.

The new Yugoslavian ambassador has residence in Rangoon, Myanmar [Burma].

The acting president and his guest discussed a series of issues, including the strengthening of the friendly relations between Laos and Yugoslavia.

Philippines

Police Force Strengthened Against Terrorists

HK2808080790 Quezon City DWDD Defense Department Radio in Tagalog 0700 GMT 28 Aug 90

[Text] Colonel Ernesto Diokno recently formed a tactical contingency force, which, along with the reaction forces and reserve forces, will make up Operation Defense launched by Brigadier General Marino Filart, chief of the Metropolitan Police Force and Capital Regional Command [Capcom]. The move followed the arrival yesterday of some 200 armalites, caches of bullets, and an undetermined number of reinforcements from the Metropolitan Police Force trained by the Capcom.

The three forces under Operation Defense will be headed by Colonel Ricardo Reyes, chief of the investigation division, and by Captain Wenceslao L. Dama, Western Police District [WPD] arson division chief. The forces will also be charged with the security of the WPD headquarters in UN Avenue, and that of 11 precincts and two detachments.

In other words, the WPD police force has been beefed up with additional arms and men. However, Diokno did not reveal the role of WPD but he did indicate that the additional arms, ammunition, and men were intended to convey one message: That they are prepared to fight for democracy.

Diokno also said the WPD forces will also confront bombers believed to be members of terrorist groups in Metro Manila.

Yesterday, a grenade believed to come from an M-203 grenade launcher exploded inside the RFM [expansion unknown] Compound at 0100 early in the morning, causing minor damage to a dressing plant located in Barangay Manggahan, Pasig. According to Private First Class Rogelio Lourdes, six windows were broken.

A second explosion took place in the Eastern Police District headquarters but no casualties were reported. A third explosion occurred at an establishment identified with Trade Secretary Jose Concepcion Jr. Concepcion's office was first bombed in Makati, followed by another attack on the Concepcion family-owned RFM Building in Mandaluyong.

Meanwhile, Defense Secretary Fidel Ramos denounced certain critics who allegedly tried to implicate his name in a new attempt against the administration. According to Ramos, the accusations were insults to the AFP [Armed Forces of the Philippines], the leading forces which stopped six rebel coup attempts. The secretary of defense added: How many times do we have to prove our loyalty and demonstrate our readiness to defend democracy?

Democracy Reportedly Heading Toward Collapse

HK2808030990 Manila THE MANILA CHRONICLE in English 28 Aug 90 pp 1, 6

["Analysis" column by Amando Doronila: "Democracy in Mortal Danger"]

[Text] Four years after its restortation, constitutional democracy in the Philippines is heading towards collapse ahead of the end of President Aquino's term in 1992.

An anguished search is under way within mainstream military circles and some political quarters for a "constitutional coup" formula seeking either to depose Mrs Aquino or keep her as a figure head president to maintain the fiction of democracy and give the successor government a veneer of legitimacy.

This assessment of the breakdown of Philippine democracy does not express a preference for a "constitutional coup" or for a fictitious form of retaining democracy. It simply calls attention to the current dangerous political reality, and has nothing to do with whether I want constitutional democracy to survive, which is an ideal goal. The survival of democracy is a function of the political, social and economic dynamics over which I have no control—and not a function of wishful thinking. The truth is that Philippine democracy today is in imminent and mortal danger of being overthrown; and part of the responsibility for this lies in the Aquino government's conception of democracy as something operating within a vacuum.

The momentum of the breakdown is being accelerated by a chain of recent events, including natural calamities followed by the conflict at the Gulf—a conflict that has inflicted an immediate damaging economic impact on this nation that is greatly dependent for its oil on the Gulf states.

Although the breakdown of Philippine democracy has more fundamental causes (which will be discussed in the body of this article) than these recent events, the rise of oil prices following the Gulf conflict has proved to be the fuse of the national crisis, as it was the trigger in the crisis of democracy in the early 1970s when former President Marcos dismantled the constitutional system and imposed more than 14 years of authoritarian rule.

Already, panic buying and hoarding are taking place at petrol stations where long queues of cars are building up. The panic reaction followed a statement by President Aquino that the rise of petrol and oil prices was inevitable. This has triggered an immediate demand by jeepney drivers for an increase in fares—a volatile element in the confused and disorderly public transport system in Metro Manila, inhabited by nine million people.

In the face of the intensifying crisis, highlighted by a campaign of nearly daily bombing terrorism in Manila, the government of President Aquino is paralyzed. It appears to be rapidly losing control of events and in this developing power vacuum in which the government seems to have run out of even short-term policy responses, the prospects of military intervention are increasing everyday. The only possible option left is the declaration of martial law or emergency to stop the bombing wave or control possible civil unrest that could be provoked by oil price rises.

The embattled Aquino government hinted that it was considering such extreme action when the President on Sunday warned that "I would like to make this clear: I will not hesitate to use all the powers in the hands of the President of this Republic to stop these traitors." She was referring to the renegade military faction led by former Col. Gregorio Honasan, which is believed to be responsible for the terror campaign as a means to destabilize the government and prepare the ground for a new coup attempt. Honasan's dissident faction, RAM [Reform the Armed Forces Movement], and another rebellious group named Young Officers' Union (YOU) are riding on grievances including alleged corruption involving the relatives of President Aquino, her weak leadership, the economic slowdown and, more recently, the prospective oil price rises and the return of thousands of Filipino workers from Kuwait and Iraq. The remittances of Filipino overseas workers are an important source of foreign exchange for the Philippines.

The Philippines has entered the most volatile economic and political period since the decline in 1981-85 of the economy in the Marcos years. Six coup attempts have failed to overthrow the Aquino government but they have left a climate of political instability and have disrupted the rhythm of economic recovery and growth, and slowed the flow of investment.

Not only does the recent wave of terror bombings underline the continuing instability; it feeds on new sources of unrest stemming from the recent calamities (the July earthquake and the recurrent floods) and the impact of the Gulf conflict on the economy. The rise in crude oil prices translates into a rise in fuel costs in a nation that does not produce a single drop of oil, and a rise in import bills for crude, thereby depleting foreign exchange reserves further. Equally socially dangerous is that tens of thousands of Filipinos working in Iraq and Kuwait are coming home only to find no jobs available in a market that is overflowing with surplus labor. This is an inflammatory social mixture for which the government is not in a position to offer relief, much less immediate policy options.

The government has run out of policy responses to this economic crisis, and this helps explain why President Aquino is now considering the use of emergency powers—the ultimate powers of the state invoked for its survival—not just to halt the bombing wave but more so to use police powers to control possible unrest and disturbances.

The warning by President Aquino that she was prepared to use emergency powers betrays the exhaustion of policy options to counter the growing unrest over the economic crisis, the vast erosion of popular support for the presidency, and failure of democratic consensus to take hold in the post-Marcos Philippines.

The use of emergency powers opens the way for an expanded role of the armed forces in maintaining public order and in implementing presidential decrees, thereby increasing the President's dependence on the military for the survival of her government. It makes her hostage to the military and, in effect, mandates the military to execute the emergency powers as presidential surrogates. The transfer of the exercise of these powers further weakens, rather than strengthens, the presidency.

The stern language used by the President in warning of the use of emergency powers emanates from a presidency whose authority, capacity to influence events, and powers have been debased by her squandering of these resources. They have no credibility and serve to underline the opening of the gates of government to wider military intervention.

Because the government has run out of policy options to respond to crisis, because it has alienated a broad base of its former supporters mainly through its abandonment of initiatives of social reform, and because it has squandered its opportunities to transform politics and start programs to improve equity, the Aquino presidency has become isolated and is no longer in control of events.

The military leadership is apparently aware of this and this is why in its briefing with editors and publishers last week, the senior leaders came out with frightening scenarios such as assassination of the political leadership as a mode of "constitutional coup."

Because Mrs Aquino has been drained of power and influence, she is vulnerable to pressure for arrangements that will reduce her into a figurehead President—another mode of "constitutional coup."

This second scenario is a non-violent option through which arrangements could be made in which formally she keeps office until her constitutional term ends, but the substance of power can be exercised by groups to whom she has effectively delegated power in a new social pact reflecting the realities of power.

This could be a Filipino version or adaptation of a monarch acting as a symbolic head of state to give legitimacy to the new power arrangement. Legitimacy is important to any leadership, but this fiction is also transparent. But to Filipinos who want to change their political leadership with a new form of non-violence and who dream of repeating the non-violence of Edsa [Epifanio de los Santos Avenue], the "constitutional coup" approach could be appealing. However, it is also entering the world of make-believe, fantasizing that there is democracy although it has vanished.

Aquino Gives Rebel Soldiers 'Strongest Warning'

HK2708070990 Quezon City Radyo Ng Bayan in Tagalog 1300 GMT 26 Aug 90

[From "Magtanong Sa Pangulo (ask the President)" program—italicized portion in English]

[Text] Our country is currently facing a critical situation. This is due to the series of events here and in other parts of the world. We are not alone in this predicament. The entire world feels the effects of the Middle East crisis. Besides our other problems, we will put up with this challenge, hopeful of resolving it.

Our critical situation is a challenge to everybody, a challenge to our ability to unite at a moment when the country is going through difficult times. This is a challenge for us to forget our selfish motives, to unite, to cooperate for the common good. In so doing those who are nationalistic will be differentiated from those who are greedy for power. The courageous will be distinguished from the cowards.

Even now it is obvious that the cowards and the greedy for power are inflating themselves while we are attempting the recovery of the country from the recent earthquake and, as we are addressing the Middle East crisis, elements who want to take advantage of the situation are also in operation. They are the old enemies of the nation. They are the former traitors whose masks were removed when they showed that they are not afraid to kill their soldier comrades and countrymen to satisfy their longing for power.

We have defanged these elements during the failed coup attempt in December of last year. True to form, they would once again resort to the strategy of fear. Knowing that strategic victory is not within their grasp, they would again resort to the siege tactic. The siege on our people's minds. This they do by a relentess barrage of lies and rumors. They have only one tactical objective, to terrify our people, hoping that psychological terror would immobilize the civilian defenders of our democracy.

They have already attempted to scare us before, but they did not succeed. They are trying to fool us again. We will not allow them to do so. These cowards do not have the strength to grab from our citizens their freedom and democracy.

I would not want this to be personal, even as I address the bad motives of these elements. But I think it is proper to give them my strongest warning. Do not try to test my capability. You failed to scare the current leadership during the killings you were held responsible for before. You cannot do that now. I would like to clarify that I will not think twice to use all the powers entrusted to the president of the republic in order to ultimately eliminate these traitors. And to our countrymen, I ask you not to be carried away by their threats. Let us not be victims of their deception. Let us continue to fight for democracy and peace.

YOU Denies Role in Bombings, Assassination Plan

HK2708104390 Manila Radio Veritas in Tagalog 0900 GMT 27 Aug 90

[Text] The Young Officers Union [YOU] denied involvement in the latest series of bombings and plans by the RAM-SFP [Reform the Armed Forces Movement-Soldiers of the Filipino People] to assassinate President Aquino. It claimed that it does not want to make Aquino a martyr before the eyes of the people.

According to an unidentified spokesman of YOU, they previously admitted responsibility for the bombings as part of a plan to signal the start of a new coup attempt [as heard].

Flores 'Confident' Soldiers Will Not Join Coup

HK2508044790 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 25 Aug 90

[Text] Philippine Army chief Major General Guillermo Flores assured that no army unit will join in a new coup d'etat. In a press statement, Flores stressed that while coup threats continue to exist, he is confident that no Army soldier in active service will join the rebel soldiers.

Meanwhile, Flores also said that some 1,000 soldiers are pressing forth with the search for renegade Colonel Alexander Noble. He said that while Noble has three companies of heavily-armed CAFGU [citizens armed forces geographical unit] under his command, they will eventually run out of logistics in a protracted fighting against the Armed Forces of the Philippines.

Thailand

Reportage on Supposed U.S. Use of U-Taphao Base

Chatchai Denies U.S. Use

BK2908010790 Bangkok THE NATION in English 29 Aug 90 p A1

[Text] Prime Minister Chatchai Chunhawan and some senior military officials yesterday tried to play down a report that the United States is secretly using the Navy's air base at U-Taphao in Rayong for its military buildup in the Gulf. Reuters quoted an unidentified US official as saying on Monday that Thailand was letting US marines use the former US air base 190 km southeast of Bangkok as a staging area on their way to the Gulf from a base in Hawaii. "They're not just using it as a transit point. It's a staging area too," said the official.

The US Defence Department said it could not confirm the use of U-Taphao, one of seven air bases in Thailand from which the US Air Force flew combat missions to Vietnam during the war. When asked to comment on the report, Chatchai, who is concurrently defence minister, said he had not received any request from the Americans to use the air base. When a reporter referred to the Reuters report that the Americans were already secretly using the air base, Chatchai said bluntly: "No."

But Chatchai was evasive when asked how he would treat an American request to use the air base to support their operations in the Gulf. "I would have to have some consultations first," he said. Chatchai brushed aside further questions about the report, saying Thailand and America had been staging joint military exercises.

"It (the reported use of U-Taphao) could be another of those exercises," he said. Thailand is not known to have had any exercises with the US since the annual Cobra Gold exercise earlier this year. There are currently more than 1,000 Thai workers still trapped in Kuwait and another 3,000 in Iraq. Thai authorities fear that reports of Thai support for American military activities in the Gulf could put the Thai workers in danger.

Government Spokesman Suwit Yotmani said Thailand and America have a long-standing agreement dating back to the time of now-defunct Southeast Asian Treaty Organization (SEATO) that allows American planes to refuel at U-Taphao Air Base. "It is no big deal if Thailand allowed (refuelling by American planes) he said and urged the press not to play up the report lest it endanger Thai workers in Iraq and Kuwait.

Phansak Winyarat, chief adviser to the prime minister, said the government was looking into the treaty but would not confirm or deny the Reuters report. Several senior military officials denied the Americans were using the U-Thapao Air Base to support its Gulf operations. The officials, all of whom asked not to be named, said they were surprised by the report. One of them said a decision to allow foreign forces to use Thai military facilities would have to be approved by the Defence Council which comprises representatives of the three armed forces.

It was not immediately clear why the marines might be using a staging area in Thailand rather than Clark Air Base and Subic Bay Naval Station in the Philippines. Washington is involved in difficult negotiations with Manila over the future of Clark and Subic. US Marines used U-Taphao in May 1975 as a staging point for the ill-fated attempt to rescue the 40-man crew of the freighter Mayaguez, seized by Cambodia's Khmer Rouge in Cambodian waters. Forty-one US servicemen died in the assault and Thailand protested to the United States over the unauthorized use of Thai territory in the Mayaguez operation. Henry Kissinger, then secretary of state, quickly expressed regret at the embarrassment caused to Bangkok by sending 1,100 marines to Thailand for the Mayaguez operation without first consulting Thai authorities. Though Washington later apologized, Bangkok set a March 1976 deadline for the withdrawal of the remaining 23,000 US servicemen at four major bases in Thailand. The shutdown of US operations coincided with student demonstrations protesting against the American presence.

Ministry Denies Allowing Use

BK2908015090 Bangkok Domestic Service in Thai 0000 GMT 29 Aug 90

[Text] In connection with the reported Thai Government permission to the United States to use the U-Taphao Airport, the Foreign Ministry wishes to state that the Thai Government has never allowed the United States to use Thai territory as a staging area for its forces. The convenient passage through Thailand by U.S. aircraft is an existing ordinary practice.

Use of Military Bases Criticized

BK2908034990 Bangkok BANGKOK POST in English 29 Aug 90 p 4

[Editorial: "Thai Bases Must Only Serve Thai Interests"]

[Text] Although Thailand has joined the international community in condemning the Iraqi invasion of Kuwait from the start, Bangkok has also managed to maintain a semblance of proper relations with Baghdad throughout the four-week-old Mideast crisis. This, coupled with the earlier groundwork laid by senior Thai foreign ministry officials in cultivating a rapport with the Palestinian Liberation Organisation, has paid off in the form of Baghdad's somewhat more lenient treatment of the large number of Thai workers when compared to other foreigners, especially those from Western countries. Notwithstanding the sexual and other abuses inflicted on some of the Thai female workers, a total of about 2,000 Thai workers have managed to safely return to Bangkok with another 2,000 waiting in Jordan to return home.

But the safety of, and evacuation prospects for, several thousand more Thais who are still stranded in Iraq and Kuwait now appears to be jeopardised in the face of reports that Thailand has become "involved" in the Persian Gulf conflict by facilitating the United States military build-up in Saudi Arabia. According to a Reuter despatch from Washington, this country is allowing US marines to use U-Taphao, a former US airbase on the east coast, as a staging area on their way to the Gulf from a base in Hawaii. The report quoted an unidentified American official as saying that the US marines were not just using U-Taphao as a transit point but a staging area as well.

Given Iraqi President Saddam Husayn's record, it is not difficult to imagine the sort of adverse repercussions that might befall those several thousand Thais who remain stuck in various areas of conflict as a result of this reported development. According to latest counts, about 2,000 are waiting on the Iraq-Jordan border to cross over to safety; some 900 are still awaiting evacuation from Kuwait while about 3,000 are in Iraq with the majority apparently intending to serve out their current employment contracts despite the prospect of war. Their fate now appears to be shrounded in a cloud of uncertainty.

The immediate reaction to the Reuter report from senior Thai officials here has been a mixture of straight denials and terse "no comments." Prime Minister Chatchai Chunhawan denied the story, saying he has received no request from the Americans to use Thai military facilities and that if such a request was forthcoming he would have to refer the matter to the Cabinet. The Chief-of-Staff of the Royal Thai Navy which holds direct jurisdiction over U-Taphao Naval Base, Admiral Dilok Phattharakoson also issued a categorical denial. Meanwhile, other officials were non-committal, giving the explanation that in principle the US military can use

Thai military facilities under the longstanding Thanat-Rusk Accord, but that permission has to be sought on a case-by-case basis.

We certainly hope that the statements by Gen Chatchai and Admiral Dilok reflect the real truth, although reports from Phatthaya seem to suggest otherwise. Informed sources at the international beach resort which is a short distance from U-Taphao have referred to unusual activity at the airbase since last Saturday sport planes plus US officers who were booked into Phatthaya hotels. Meanwhile, the US Embassy in Bangkok has declined to confirm or deny the reports, which added yet another element of confusion.

The Government will have to understand the inquisitiveness of this newspaper on the subject because the stakes are high. The annual "Cobra Gold" joint exercises here involving American and Thai military units can be viewed as a positive endeavour aimed at testing and improving the preparedness of both sides. There is also nothing wrong with routine US transit through Thai facilities. But using Thai installations as a staging point, and thereby making Thailand a party to the Gulf conflict, is a totally different and far more serious matter. The safety of thousands of Thai workers in the areas of conflict aside, there is also the other more important question of Thailand's sovereignty. A serious re-think is called for if the Government did, in fact, allow the Americans to use this facility. If the Reuter story is incorrect, or premature, the Thai leadership should be prepared for a reasonable but firm rejection in the event that permission is sought by Washington. In the end, this country's own national interests should reign supreme.

Paper Cites Case Against U.S. Cambodia Policy

BK2808134890 Bangkok SIAM RAT in Thai 23 Aug 90 p 9

[Article by Sumit Phetkaeo: "Thailand-ASEAN and the U.S. Policy on Cambodia"]

[Excerpts] [Passage omitted] The shift in the U.S. policy on Cambodia will be a test of unity for the ASEAN bloc. If any of the ASEAN states supports the new U.S. policy, that would create a rift within the ASEAN bloc. [passage omitted] Compared with other ASEAN countries, Thailand is on the front line and has to shoulder the heaviest burden from the impact of the Cambodian problem. Therefore, should it support the new U.S. policy?

In my opinion, Thailand should not. Otherwise, Thailand would be regarded by ASEAN allies and the world as a U.S. satellite tailing after the United States and having no freedom for itself. Besides, how should we explain to the world about the policy which we boasted was our own initiative to solve the Cambodian issue? Support for the U.S. move would discredit our diplomatic maneuver. Our ASEAN friends would be offended, and this could possibly create a conflict among ASEAN states.

China, which is another world power, has close relations with Thailand. The friendship has been mutual. China would refrain from taking a course which might cause uneasiness in Thailand. Thailand also avoided doing things which might not please China. If Thailand supports the new U.S. policy, it might run into a conflict with China and risk losing good relations with that country.

Prince Norodom Sihanouk would not be happy if Thailand supported the U.S. policy shift. Prince Sihanouk and Thailand have remained consistently firm in their policy of rejecting the government in Phnom Penh as a legitimate government of Cambodia. Prince Sihanouk praised Thailand for its sincere efforts toward seeking a solution to the Cambodian problem. He would be upset if Thailand shifted its stance in support of the U.S. policy shift. [passage omitted]

The new U.S. policy on Cambodia will block ASEAN efforts for a peace settlement in Cambodia. From now on, Vietnam and the Phnom Penh Government will be less cooperative with ASEAN because now they have the United States as an ally. This will strengthen the political power and status of the Phnom Penh government and will increase the chance of it becoming the sole legitimate Government of Cambodia. The planned Supreme National Council, with the participation of the four Cambodian factions, will hit a snag as a consequence because of lack of sincerity from the Hun Sen Government. [passage omitted]

Further on Response to Iraq-Kuwait Situation

Chatchai on Stocks, Base Use Report

BK2808142890 Bangkok Domestic Service in Thai 1200 GMT 28 Aug 90

[Text] Prime Minister General Chatchai Chunhawan stated to newsmen at noon today, after visiting the Securities Exchange of Thailand [SET], that he was pleased that the stock trading has returned to normal with most stock prices hitting the daily ceiling now.

The prime minister said that the crisis in the Middle East should continue among the parties to the conflict, but Thailand, which is not involved in the conflict, should pursue business as usual. However, he noted that the situation in the Middle East has, more or less, caused fluctuations of stock trading at the SET. The prime minister gave an assurance that he would fully support SET operations.

Later in the afternoon, the prime minister granted an interview to newsmen at the Regent Hotel. He denied the report saying that some members of parliament of the Chat Thai Party were unhappy with the cabinet reshuffle. He said the report was groundless, and that all members of parliament of the Chat Thai Party are happy with it.

The prime minister also denied a report by REUTER which said that Thailand had authorized the United States to use the U-taphao base for sending U.S. troops to the Middle East. He said the report was groundless. He had never seen a request for use of U-taphao. Should there be a request to that effect, the prime minister said that all concerned agencies at the government level would have to hold a discussion first because Thailand is not involved in the Middle East crisis. The prime minister, however, noted that the report might come from a misunderstanding because Thailand has been holding a joint military exercise with the United States under the codename of Cobra Gold.

Stock Market Support 'Assured'

BK2808150690 Bangkok Domestic Service in Thai 1200 GMT 28 Aug 90

[Text] There have been several favorable factors for investments at the Securities Exchange of Thailand [SET]. Prime Minister General Chatchai Chunhawan has assured full support for investments at the stock market. Maruai Phadungsit, manager of the SET, granted an interview to reporters after Prime Minister General Chatchai Chunhawan's visit to the SET this morning.

[Begin recording] [Maruai] There are favorable factors, for example, the Middle East situation has eased and the prime minister reshuffled his cabinet, which creates confidence for the investors. The SET has also set up a fund of 5,000 million baht with the support of the prime minister. The fund has begun to buy shares since Monday. All these factors have improved the investors' confidence. In fact, our stock market should not have been affected heavily. But, it is a problem of psychology. When there is good news, share prices will increase. This is a matter of psychology. You can see that yesterday, almost all shares hit the ceiling of 10 percent. No investors wanted to sell their shares. The situation was almost the same today. Most shares hit the ceiling after the opening of trading.

[Reporter] Did the prime minister express any special concern?

[Maruai] He said that he would fully support the SET. He said that our stock market should not have been affected that badly. He gave moral support to investors and assured them that the government will take good care of the SET. [end recording]

Investment Fund To Help Stock Market

BK2508053190 Bangkok THE NATION in English 25 Aug 90 p B1

[by Nanthawat Choeisong]

[Excerpt] Prime Minister Chatchai Chunhawan yesterday ordered the Mutual Fund Co to set up a Bt[Baht] 5 billion investment fund in an 11th-hour attempt to save the stunned and battered Thai stock exchange from slipping deeper into the mire. The Ruam Pattana II fund, as it will be called, will start trading next Thursday, and will be supported initially by the Industrial Finance Corp of Thailand (IFCT). Eventually, each of the 35 registered stockbrokers on the exchange will have to contribute at least Bt100 million each to the life-line fund. Some in fact have already confirmed that they are prepared to put in as much as Bt200 million. Those refusing to join face the prospect of having their securities licences withdrawn.

They have also been warned by exchange officials not to put pressure on their clients to cut their losses and dump their shares at the prevailing depressed prices. In just two disastrous days to trading on Wednesday and Thursday, the Securities Exchange of Thailand (SET) index lost more than 130 points, or 15.5 percent of its capitalization, forcing Chatchai to take the critical and unusual step of introducing measures to intervene in the market in order to prop it up.

Yesterday the index was headed for yet another inglorious 60-plus drop until a last-minute scramble by some of the less faint-hearted speculators for the few bargain stocks available for trade, cushioned the fall and left the index at 39.48 points down on the Thursday close. But it still crashed through the important 700 point barrier to rest at an uneasy and critical low of 695.81 points for the weekend. But the once-strutting market, which had stolen the march on its sister exchanges in Asia because of the incredible fortunes being made in share transactions, is now in a shambles, having lost almost 40 percent of its capitalization since the Middle East crisis began three weeks ago.

Wirot Naunkhae, vice chairman of the Securities Exchange of Thailand, said Finance Minister Pramaun Saphawasu and Prime Minister Chatchai held emergency consultations yesterday on ways to salvage the market and decided to press ahead immediately with the establishment of the life-line fund which will involve the issuing of units costing Bt10 each. [passage omitted]

Reserves of Crude Set To Rise

BK2908032390 Bangkok THE NATION in English 29 Aug 90 p B1

[By Phichai Chansong]

[Text] The national energy policy subcommittee will seek approval for its proposed increase in crude and finished oil reserves maintained by domestic companies to boost national energy security in the face of the Middle East crisis. The mandatory reserves of crude will rise from four to five per cent of the nation's refining capacity, allowing local refineries to continue its operations for 18 days instead of only 11 days in the event of supply disruption. For finished oil products, reserves will rise from 15 days to 18 days, according to the subcommittee's proposal, which needs approval from the national energy policy committee and the Cabinet, respectively.

The subcommittee said its proposal is in line with the current volatile market conditions for crude and finished oil. The Middle East crisis has sent up prices dramatically while posing concern over a possible supply disruption. Iraq's August 2 invasion and occupation of Kuwait already cut some four million barrels of crude of the market.

According to the latest information released by the Commercial Registration Department, as of August 15, domestic refineries had about 350 million litres of crude in reserves, enough for nine days, while oil companies had about 461 million liters of finished products, enough for 10 days.

If approved by the national energy policy committee and the Cabinet, refineries and oil companies will have 90 days to comply with new reserves of crude and finished products. Meanwhile, crude prices in world markets had weakened on hopes of a peaceful settlement in the Middle East. Internationally-traded crudes, such as Brent Blend, fell more than US$3 a barrel from last week to about US$25.5 on Monday.

Further on Leadership Changes, Reaction

Reshuffle Angers Chat Thai

BK2908021790 Bangkok THE NATION in English 29 Aug 90 p A1, A3

[By Thammasak Lamaiphan]

[Text] Deputy Interior Minister Sano Thianthong lashed out at Prime Minister Chatchai Chunhawan for failing to consult senior Chat Thai members before dumping the Social Action Party (SAP) in the Cabinet reshuffle. Sano's open attack on Chatchai was the first serious sign of widespread discontent within the premier's Chat Thai Party over his handling of the reshuffle. Chat Thai critics said the premier consulted only his policy advisers and SAP leader M.R. Khukrit Pramot on the matter. Sano also claimed it was not only the Justice Group led by deputy leader Sa-at Piyawan (Lampang) that was dissatisfied with the reshuffle, but also the rank and file in the ruling party.

Informed sources said members of the Justice Group would meet on Thursday to discuss their response to the shake-up which failed to bring in their leaders into the Cabinet. Instrumental in gathering signatures from fellow Chat Thai MPs [members of parliament] for the ouster of SAP, Sano said the reshuffle had failed to improve the image of the Cabinet because SAP has yet to clear itself of a charge by a former SAP Cabinet member, Santi Chaiwirattana, that senior party members told its ministers to make huge contributions to the party's coffers.

"That statement is still being talked about everywhere and to make matters worse the party's senior member (party leader M.R. Khukrit Pramot) even defended (the party) against the allegation," Sano said. He said SAP should first clear itself of the charge "before it can join the government". Sano also said the situation had reached the point of no return with widespread disgruntlement in Chat Thai and warned that it may lead to the dissolution of the House. "Whatever will be will be," he said in response to a question about the possibility of the dissolution of the House. He said he was not consulted over the reshuffle although he is deputy party leader.

"I am worried the negative government image will affect the reputation of the entire House and destroy public faith in the entire political system," he said. Sano said many Chat Thai MPs told him they were unhappy with the reshuffle during informal talks held at his house late last night.

Soemsak Karun, a Chat Thai MP for Rayong, was also highly critical of Chatchai's move. "Many Chat Thai MPs don't agree with the new Cabinet line-up and we are quite worried that it will lead to a political crisis during the extraordinary session of Parliament to debate the budget bill early next month," he said. He warned that some disgruntled government MPs might step out of line and vote against the budget bill along with the Opposition. "It's not a small matter and the government whips will consult on the issue during a meeting on September 3," he said. Soemsak said many Chat Thai MPs were dissatisfied with the premier's decision to bring non-MPs into the Cabinet because it looked as if there were no MPs capable enough to serve in the Cabinet.

Democrat MP Surin Phitsuwan (Nakhon Si Thammarat) also warned that the government's stability would from now on be very fragile due to growing "external pressure" and increased conflicts between Chat Thai and SAP. "The political situation will be very volatile because the premier hurriedly reshuffled his Cabinet without thorough consultation with coalition partners. I believe that every party must now review the situation and their stands," he said. Surin also said the return of M.R. Khukrit Pramot to the helm of SAP would mean a shift of his role from a protector of the government to that of SAP only.

But Premier Chatchai said yesterday everybody was happy with the Cabinet reshuffle. Chatchai yesterday paid a surprise visit to the Securities Exchange of Thailand [SET] where he said it was the government's policy to promote stock trading. He said following the Cabinet shakeup, he was no longer concerned about the government's stability. "Investors should have confidence in the political stability and continue to invest in the market," he said.

Praising newly-appointed Finance Minister Wiraphong Ramagun for his financial and economic exertise, Chatchai said with the new finance minister, it was possible that the government would attain its goal of turning SET into the regional centre for financial markets. Chatchai said the Democrat Party would not cause any problems because he had consulted with deputy leader Chuan Likphai about the changes. Moreover, he said the swap of the post between Deputy Premier Maj Gen [major general] Sanan Khachonprasat and Agriculture Minister Chuan Likphai would not offend Sanan because "we are former cavalry soldiers."

Chathai said the new Cabinet appointees would be granted an audience with His Majesty the King to take an oath of allegiance this afternoon. —Opposition deputy Solidarity leader Uthai Phimchaichon chastised SAP leader M.R. Khukrit Pramot for his instrumental role in shaping the new Cabinet line-up. "He should be promoted from the rank of major general to full general," Uthai said. The opposition MP said the reshuffle had failed to restore public faith in the government because many corrupt ministers still retained their posts.

Wiraphong paid surprise visits to former premier Gen [general] Prem Tinsulanon and former army chief Gen Chawalit Yongchaiyut yesterday morning and evening. The talks were described as private and no statements were made.

New Commerce Minister 'Free Hand'

BK2908031190 Bangkok THE NATION in English 29 Aug 90 p a3

[By Adisek Limprungprattanakit]

[Text] Newly-Appointed Commerce Minister Amaret Sila-on said yesterday Prime Minister Chatchai Chunhawan and Social Action Party [SAP] leader M.R. Khukrit Pramot promised him a free hand in running the ministry. Amaret, one of three non-partisan technocrats appointed to the Chatchai II Cabinet Monday, told THE NATION that Chatchai and Khukrit pledged to protect him from politicians trying to influence his decisions as minister. "They told me that I don't have any obligation to the SAP" under whose quota Amaret was appointed. He said he hopes the two senior politicians will defend his decisions even if they are unpopular so that he can serve the interests of the general public.

A former senior vice president of the Siam Cement Co Ltd, Amaret said he had no special connections with any particular party. But he admitted he was acquainted with senior politicians in many parties, including Phichai Rattakun and Chuan Likphai in the Democrat Party, Phong Sarasin in the SAP and Banhan Sinlapa-acha of Chat Thai. "I am not a member of any party and I don't have any plans to become a career politician because I want to spend the last period of my life studying religious teachings," he said, adding he had trained himself in mediation for more than ten years.

Amaret acknowledged he was entering an unpopular government and taking a professional risk in accepting the Commerce portfolio. But he explained he could not turn down the post offered by Chatchai and Khukrit, two politicians whom he holds in high esteem. He said he had been approached many times about taking the job but the formal offer came shortly before the Cabinet shake-up. It took only a short time to decide to accept, he said. "I cannot be worried that my personal reputation will be tarnished by joining this government because I have made up my mind to pay back the society which has given me and my family a lot of things," he said.

The 57-year-old minister said he spent several months after his resignation from Siam Cement trying to decide what to do. Amaret said he turned down many job offers and instead decided to help manage the S&P Syndicate Co Ltd, of which he is a major shareholder. As commerce minister, Amaret said he would stick to the principle of promoting free trade. The major challenges the ministry currently faces are developing ways to control the rising costs of living and of promoting exports, he said.

Asked about increasing inflation which has been fuelled by crude oil price hikes resulting from the Gulf crisis, Amaret said the issue was complex and required the attention of related ministries working under an overall policy. "I believe that in the next few years, the country's economic performance will not be as good as in the past few years mainly because of the crisis in the Middle East. But I am optimistic that it won't last too long. If that's the case, the effects from the Gulf crisis will not adversely affect the Thai economy in the long run," he said. Amaret expressed support for the policy of his predecessor Subin Pinkhayan to ease cement shortages by increasing its supplies on the market. But he added that the red-tape involved in implementing the policy needs to be slashed.

New 'Monetarist' Finance Minister

BK2808032790 Bangkok THE NATION in English 28 Aug 90 p A8

[By Peter Maitri Ungphakon]

[Excerpts] Among recent Thai finance ministers, Dr Wiraphong Ramangkun arrives in office with perhaps the clearest economic policy. But some of his ideas are controversial, and without a political power base Wiraphong could soon be forced to compromise or to leave office. His strength is his reputation as one of Thailand's top economists. His weaknesses are his total lack of support in Parliament and his lack of experience in administering a bureaucratic agency. His opposition to government largesse is unlikely to endear him to many MPs [members of parliament].

On the other hand, he speaks the same language as leading figures in the Bank of Thailand—he was on the central bank's Court of Directors from 1985-86—and could be the first minister in years to establish a good working relationship between the bank and the Finance Ministry. Whether this impresses the elected politicians, the military and the business community remains to be seen.

He does have some—not particularly strong—connections with the military, mainly through his period as adviser to Gen Prem Tinsulanon, the former prime minister. Prime Minister Chatchai Chunhawan has probably appointed him to boost the credibility of the government's economic management. But if conflict develops between Wiraphong and the MPs, Chatchai is more likely to appease the power base in his party than his technocrat appointee.

Wiraphong, who turned 47 on Aug 1, is a monetarist, an adherent of the conventional economic wisdom that lies behind much of money-supply oriented policies in the Reagan-Bush's United States and Margaret Thatcher's Britain. His priorities are economic stability—avoiding inflation and trade deficits—over and above economic growth and income distribution.

He is almost uncompromising in his belief that government intervention should be largely confined to monetary policy, to controlling money supply—the amount of cash in circulation and in bank accounts—in order to prevent inflation and balance of payments problems. He has therefore argued strongly in favour of removing government controls on interest rates and subsidies on retail oil prices, and against the use of Commerce Ministry price controls.

He opposes protectionist import-substitution policies such as the high import duties on cars and some forms of Board of Investment promotion measures. He may even oppose the Board of Investment itself. He opposes development policies that encourage uncompetitive industries to be set up in less developed regions such as the poorer parts of the Northeast. If private sector entrepreneurs are not investing there, government incentives will merely encourage inefficiency, he argues.

It is therefore better for Northeasterners to migrate to the jobs than for the industries to move to the Northeast, he says—except in a handful of cases, such as tomato canning factories which are more efficient if they are close to the tomato-growing areas. He does advocate government spending to boost education in rural areas as a means of improving opportunities, however. But he warns against inefficient construction of schools and hospitals in remote areas where there are few students and patients.

As Prem's economic adviser, Wiraphong battled hard against heavy government investment in the Eastern Seaboard and the National Fertilizer Corporation, on the grounds that Thailand was going through a recession and that such prestigious projects could easily become white elephants. In this government, therefore, he could find himself arguing against heavy investment in the Southern Seaboard, particularly if the Gulf crisis turns into a third oil shock and triggers another recession.

This time, he will not have the patronage of a Prem-like figure to protect him against the politicians and land speculators who gain from such a development programme. Interestingly, one of the politicians in the Prem Cabinet who was unhappy with the delays to the Eastern Seaboard projects was Chatchai Chunhawan, at the time deputy prime minister in charge of economic affairs.

In 1984, Wiraphong was a member of a tiny group of no more than five or six officials who worked in complete secrecy and shocked the nation, on Loy Kratong Day, with a devaluation of the baht and the establishment of a new exchange rate regime based on a basket of currencies instead of the US dollar alone. Gen Athit Kamlang-ek, who also joins this Cabinet as deputy prime minister, might not have forgotten the episode. At that time, he was commander in chief of the Army, and he responded to the devaluation with a virulent if futile tirade on television.

Wiraphong has rarely shied away from controversy. [passage omitted] Wiraphong's involvement in politics dates back to the mid-1970s when he was a founder member of the New Force Party, a centre-left party set up by intellectuals following the overthrow of the Thanom Praphat military dictatorship in 1973. He was a member of a group which soon became unhappy with what it considered to be the party leadership's excessive haste in seeking political power at the expense of democratic principles—a debate that has some similarities with the one that has developed recently in the Phalang Tham.

It was Prem who brought Wiraphong into the mainstream of politics as economic adviser in 1980. In 1985, Wiraphong was appointed to the Senate. Now, Chatchai has brought him into the Cabinet as an non-elected minister. Wiraphong's firm beliefs in economic and democratic principles are now under severe test.

Dailies Comment on Party Problems

BK2408154390

[Editorial Report] Three Thai Dailies—MATICHON, SIAM RAT, and THAI RAT—on 23 and 24 August carried two editorials, a column, and an article on M.R. Khukrit Pramot's agreement to lead the Social Action Party again, and on the conflict within the Phalang Tham Party over whether it should join the coalition government.

MATICHON's 23 August editorial on page 8, entitled: "The Reputation of the Social Action Party [SAP]," says the SAP executive committee had resigned en masse in order to invite M.R. Khukrit Pramot, its former leader who said he has washed his hands off politics, to lead the party again. The editorial said this move could be seen as the party's way of relieving pressure on itself following Former Deputy Interior Minister Santi Chaiwirattana's revelation that some senior party executives had asked ministers to help the party raise money. This issue has caused the public's confidence and trust in SAP to drop to its lowest level although M.R. Khukrit has not admitted so. There are calls for the SAP to leave the coalition in a show of responsibility for those problems, as the dismissal of Santi is still deemed to be insufficient.

"Although the executive committee's move to force party leader Air Chief Marshal Sitthi to resign seems to be an acceptance of responsibility, it is in fact a political wish to keep the party in the coalition government by relying on the former leader's remnant political power." The editorial also says that SAP's dependence on M.R. Khukrit's prestige to keep it in the coalition reflects its administrative failure, that it can no longer find any person with good qualities and principles to lead the party.

SIAM RAT's 24 August editorial on page 8, entitled: "The Political Possibilities," says M.R. Khukrit Pramot's agreement to lead the SAP could be seen as a move to help boost its image which has been dented following Former Deputy Interior Minister Santi's remarks. This can also be seen as a move to tone down calls for the party to leave the government.

The editorial added, "After the budget bill is passed by the House on 5 September, it will be time for a big political change in order to enable the government to work smoothly. There are two possibilities: One, that General Chatchai Chunhawan resign from prime ministership to form a new government. By doing so, he will be able to get rid of all the ministers who have problems with the coalition government. This method is better than a normal cabinet reshuffle because coalition partners including the SAP, will not be embarrassed or hurt. Two, that The Prime Minister dissolve the House of Representatives to pave the way for new general elections. This is also a good method to avoid embarrassing or hurting the SAP. In this case, however, more new political parties will be set up, including the party that will be formed by General Chawalit Yongchaiyut."

The editorial concludes by saying that "finally, a big cabinet reshuffle will take place with General Chatchai's resignation in order to form a new government. It is believed that General Chatchai will become the prime minister again with ministers from various parties who are cleaner than his previous coalition line-up. It is hoped that the new government will be able to survive its term."

THAI RAT's 24 Aug column by Pleo Si-ngoen on page 5, entitled: "The Day of Political Disaster," says the resignation of the entire SAP executive committee and M.R. Khukrit Pramot becoming acting party leader is aimed at cleaning up the party and at keeping it in the government for the upcoming cabinet reshuffle. "In politics, this change will only push General Chatchai to decide either to dissolve the House of Representatives or to resign." A cabinet reshuffle with a M.R. Khukrit-led SAP in the coalition government is possibly not a choice for a person like General Chatchai. The article adds that "if SAP remains in the coalition government, this means that Thailand will have two prime ministers at the same time. General Chatchai as the prime minister in title and position, and M.R. Khukrit as the prime minister in the minds of the people." THAI RAT's 24 Aug article on page 3, entitled: "The Crisis of Democratic Faith," says that "two incidents that have occurred simultaneously in two political parties have seriously shaken up the people's feelings, hopes and faith. This real crisis is happening to the democratic and political party system." The behavior of the SAP and Phalang Tham party members have just reaffirmed the people's belief that those whom they have elected to parliament want nothing more than to become ministers. The announcement by some Phalang Tham Party members of parliament about joining the coalition government although there has been no clear invitation only shows their eagerness to become ministers.

The article also says that SAP's invitation to M.R. Khukrit to lead the party after it has been rocked by the gas station and the horse game scandals is attributed to the party need to depend on the M.R. Khukrit's prestige to keep it in the coalition government.

Former Minister Urges Recognition of PLO

BK2908022990 Bangkok THE NATION in English 29 Aug 90 p A4

[By Yindi Loetcharoenchok]

[Text] Former deputy foreign minister Praphat Limpaphan said yesterday that Thailand should consider recognizing the state of Palestine and argued that Thai policy on the Middle East could have an impact on the security of southern Thailand. Praphat, who returned from Jordan last Sunday [26 August] where he was assigned to work out an evacuation plan for Thai workers from the Middle East, said the Palestine Liberation Organization had been a "true friend in need" and "very cooperative" in helping thousands of Thai workers out of Iraqi-occupied Kuwait.

"All 7,000 Thai workers (in Kuwait) are now safe in Jordan or in Thailand with the help of the PLO, so we should now consider recognizing the (state of Palestine)," said Praphat, a Social Action Party MP. The former minister said the government should "tactfully" adjust its policy on the Middle East, as the area was the main source of the country's energy and market for Thai labour.

The security and stability of Thailand's southern provinces, where the majority of the population is Muslim, also depended on politics in the Middle Eastern countries, he said. Praphat said PLO leader Yasir 'Arafat dispatched special representatives to meet him in Jordan upon his arrival there last Thursday and expressed the PLO's readiness to assist Thai workers out of Kuwait.

The PLO delegation, said the former minister, agreed to his requests to urge Jordan to reverse its decision to close its border with Kuwait, and to ask the Iraqi government to look after the some 50 remaining Thai workers in the emirate and some 3,000 Thai labourers in Iraq. Prapaht said he also asked the PLO to contact the Thai mission in Kuwait City, which has been out of contact with Bangkok since Iraq's invasion of the Gulf nation on August 2.

Some 50 Thais are still in Kuwait, but all of them have expressed their willingness to stay behind due to personal reasons, said Praphat. Several thousand others are awaiting flights from Thailand to pick them up from Jordan, he added.

In a related move yesterday, a Democrat MP [member of parliament] from Nakhon Si Thammarat, Surin Phitsuwan, urged the government to allow the PLO to set up an embassy in Thailand. Surin said the Palestinians are very important in economic and social affairs in the Arab world and added that Thai national interests totally differed from those of the super powers.

52 SRV Boat People Return Home

BK2908024990 Bangkok BANGKOK POST in English 29 Aug 90 p 5

[Text] Fifty-Two Vietnamese boat people boarded a chartered aircraft for Ho Chi Minh City yesterday to return to their impoverished homeland after abandoning a dream to settle in the West. Reuter in Bangkok said the group—47 men, four women and an eight-month-old child—is the biggest to return from Thailand after being denied automatic asylum. Eight Vietnamese were voluntarily repatriated in 1989.

"I am very happy to go back home after I learned that I have no chance to settle in a third country," 39-year-old Pham Ngo Thai told reporters at the airport. He said United Nations high Commissioner for Refugees (UNHCR) and Vietnamese officials had told them they would not face prosecution at home. "If they treat us well thousands of people will follow suit because most people are aware that their chances of settling in a third country are very slim," he said. Phan Ngo Tai said he fled from Dong Nai in south Vietnam by truck with 78 others to Kompong Som in Cambodia, where they boarded a trawler for Thailand.

About 70 more Vietnamese who volunteered to go home will return within the next two months, UNHCR officials says. Some 12,000 boat people who arrived in Thailand after March 14 last year, the date after which they were no longer granted automatic asylum, are being encouraged by the UNHCR to apply for voluntary repatriation. Nearly 4,000 boat people in Hong Kong have returned of their own free will.

Nguyen Thi Cuc, 33, from Kien Giang, said she arrived in Thailand by boat more than five months ago and decided to go back almost immediately when she found she had missed the cut-off date. "Once is enough. I will never try again," she said through an interpreter. She said her sister, who lives in Canada, had encouraged her to escape for a better future. "But after my hopes were shattered I decided to go back home." Thieu Sieng, 54, said he fled Vietnam for the Cambodian capital Phnom Penh by truck and then crossed the Thai border on a motorbike via Battambang in northwest Cambodia. "I paid a Cambodian woman $600 to make all the arrangements. She paid Cambodian soldiers to ensure my safe passage to Thailand," he said.

UN, PRC Roles in Cambodia Peace Process Viewed

BK2908041190 Bangkok THE NATION in English 29 Aug 90 p a8

[Editorial: "Cambodia Needs the UN"]

[Text] Last Saturday's unanimous agreement in the UN Security Council to authorize the use of necessary force to ensure effective implementation of economic sanctions against Iraq was heartening news. This rare consensus vastly increased the credibility of the Security Council in maintaining international peace and security. It was no doubt the fruit of the end of the Cold War between the the United States and the Soviet Union, and to a lesser extent, the normalization of relations between the Soviet Union and China.

On Monday, the Security Council's five permanent members—the US, the USSR, China, Britain and France—once again showed their solidarity by agreeing on a comprehensive political settlement to end the Cambodian conflict. The breakthrough came rather unexpectedly, yet it was most welcome. Earlier there was fear in this part of the world that the Gulf crisis would divert international attention from the bloody 11-year-old conflict in Cambodia.

The Western sanctions against China after the Tiananmen massacre hardened the Chinese attitude toward Cambodia. Beijing has also refused to join Washington and Moscow in a moratorium on arming their respective client factions. There was little room for the Permanent Five to manoeuvre or cooperate on any world issues then.

However, the Iraqi invasion of Kuwait on Aug 2 suddenly created a precious opportunity for China to increase contacts with the Soviet Union and the United States. Subsequently China joined all the others on the Security Council in condemning the Iraqi aggression and demanding unconditional withdrawal of all the Iraqi forces from Kuwait even though Iraq was a major buyer of Chinese arms during the Iraq-Iran war.

The Permanent Five had earlier agreed on the need to give the UN an "enhanced role" in Cambodia during its transition period leading up to a general election. The comprehensive political settlement outlined by the Permanent Five spelled out in detail the UN role and plans to restore peace in the war-ravaged country. The UN will, for example, call a ceasefire, verify the withdrawal of all Vietnamese forces, supervise disarmament of the Cambodian factions, run five major ministries of Cambodia's transitional government, and hold a general election.

However, one key aspect of the settlement has not yet been clarified—the composition and power of a supreme national council, which will be set up to represent Cambodian sovereignty and take over Cambodia's seat at the UN General Assembly. The Permanent Five chose to leave the question up to the leaders of the four Cambodian factions. Perhaps this was because the Permanent Five couldn't agree among themselves on how to settle this question.

But the Cambodian leaders are known to have seriously disagreed over this issue. Khmer Rouge leader Khieu Samphan strongly advocates dividing the seats on the national supreme council (reported to number 12) into four equal parts. He openly opposes the Tokyo agreement between Prince Norodom Sihanouk and Hun Sen on dividing the seats equally between Prince Sihanouk's three-party resistance and Hun Sen's faction.

The Khmer Rouge wants equal representation on the council for all four factions. This would imply international recognition of it as a legitimate political entity although it has been denounced for its genocidal past. The radical communist faction, which ruled Cambodia from 1975-78, still entertains the hope of returning to power, perhaps through winning the election.

However, Hun Sen, whose government controls a large majority of Cambodia's eight million population, insists on the claim of his faction to half the number of the council seats. If his faction receives only one-fourth of the seats, it can be easily outvoted by the three factions of the resistance coalition, against whom it has waged a bitter civil war for nearly 11 years.

So both sides believe they have good reasons not to give in to the other's demand. But what difference will it make if the Khmer Rouge has three or two representatives on the council, and the Phnom Penh faction has three or six? The Permanent Five have already agreed that the council will have essentially a ceremonial role during the transition. They intend to prevent any Cambodian faction from exploiting the council for political advantage.

Through the good offices of Beijing and Jakarta, the Cambodian leaders have tentatively agreed to meet in Indonesia soon to discuss their conflict. This may be their last chance to put aside their differences and work out a compromise to enable the UN to step in and play its role in Cambodia.

The Cambodian leaders must move fast. The UN General Assembly will start its annual session in two months' time. The question of who can rightfully represent Cambodia in the UN will be raised again. The United States has already withdrawn recognition of the resistance coalition, which has held the Cambodian seat at the UN. The EC and several other Western countries may also follow suit.

If the Cambodian leaders fail to set up the supreme national council to represent Cambodia, Cambodia's seat in the UN may be left vacant—further complicating the problem as it may prevent the UN from playing its role. Without active UN assistance, Cambodia's future is bleak.

Japanese Politician Urges Cambodian Settlement

OW2408132190 Tokyo KYODO in English 1221 GMT 24 Aug 90

[Text] Bangkok, Aug. 24 KYODO—Conservative Japanese politician Michio Watanabe told Thai Foreign Minister Sitthi Sawetsila on Friday that it will be difficult to set up a provisional Cambodian government before the United Nations General Assembly session this fall. Watanabe, a former finance minister and ex-policy chief of Japan's ruling Liberal Democratic Party, said there are still significant differences between the Phnom Penh Government and the resistance on setting up the government, or supreme national council [SNC], according to a Thai Foreign Ministry spokesman. Watanabe urged Thailand and the five other member countries of the Association of Southeast Asian Nations (ASEAN) to reach agreement soon on Cambodia's representation in the United Nations.

ASEAN, which links Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand, has been the key supporter of the resistance coalition government in the U.N. The resistance has held Cambodia's seat in the world body for the past 10 years. The resistance will face a tough challenge this year as the United States announced in July it was withdrawing support, Thai sources said.

ASEAN, during its annual ministerial meeting in Jakarta last month, agreed to push for establishment of the supreme national council as a provisional governing body during a period of national reconciliation. ASEAN foreign ministers agreed on efforts to establish the SNC, which will be comprised of all four rival parties, in time to put it into the Cambodian seat at the U.N. General Assembly session.

Indonesian Foreign Minister Ali Alatas, co-chairman of the Paris international conference on Cambodia, has invited leaders of the four rival Cambodian factions to a new round of meetings in Jakarta to discuss the setting up of the SNC. The three resistance factions responded positively to Alatas' invitation this week. Phnom Penh leader Hun Sen, however, told Watanabe earlier this week that he would only attend such a meeting if it is the first round of the SNC. Hun Sen says there is nothing to discuss now regarding the SNC, since a joint communique he signed in June in Tokyo with resistance leader Prince Norodom Sihanouk covered the council's establishment. Watanabe, who visited Hanoi and Phnom Penh before his meeting with Sitthi, also reiterated Vietnamese and Phnom Penh leaders' firm rejection of the Khmer Rouge's participation in the SNC, the Thai spokesman said.

The Thai foreign minister, meanwhile, said members of the SNC should be regarded as prominent individuals not attached to the factions, as described in a resolution on Cambodia adopted by the five permanent members of the U.N. Security Council. Watanabe is to leave Bangkok for Jakarta on Saturday.

THE NATION on Watanabe Visit

BK2508061290 Bangkok THE NATION in English 25 Aug 90 p A2

[Excerpt] A prominent Japanese MP yesterday urged his country to renew ties with Vietnam by adjusting its policy toward the Indochinese nation, as the United States did early last month.

Michio Watanabe, a former finance minister, told Foreign Minister Sitthi Sawetsila during a meeting here yesterday he would report the outcome of his visits last month to Vietnam and Cambodia to Prime Minister Toshiki Kaifu and urge him to consider reviving Tokyo's ties with Hanoi, according to Foreign Ministry Deputy Spokesman Suraphong Chaiyanam. Japan has maintained an embassy in Hanoi, but, along with ASEAN countries and the United States, imposed economic sanctions on Vietnam following its invasion of Cambodia in 1978.

Suraphong quoted Watanabe, a Liberal Democratic Party MP, as saying he saw a need for Tokyo to adjust its policy toward Hanoi and possibly promote bilateral relations in various ways. The move would be similar to Washington's decision to open a dialogue with Hanoi on the 11-year-old Cambodian conflict.

Watanabe said he personally found the US move to be a "good one." But he stressed that Japan's interests in Vietnam would be different from those of the United States. However he said Tokyo's rapprochement with Hanoi could run parallel to US moves.

Sitthi did not comment on Watanabe's view, said Suraphong. [passage omitted]

Canadians Arrested on Heroin Possession Charge

BK2608025090 Bangkok BANGKOK POST in English 26 Aug 90 p 4

[Text] Three Canadian nationals were arrested at a hotel room off Sukhumvit Road yesterday for allegedly possessing two kilogrammes of top grade heroin, deputy commissioner of the Metropolitan Police Maj-Gen [Major-General] Bamrung Khieo-urai said yesterday. The suspects, identified as Mrs Diana Browder Lowe, Mr Carl Johann Lamowitz and a Mr Hallman, were suspected to be members of an international drug ring, police said.

Narcotics suppression police raided the suspects' room and found the heroin hidden inside five specially designed books which were to be smuggled to Canada. They confessed to buying the heroin from Chiang Mai, police claimed. The suspects were detained at Lumpini police station for further interrogation and charged with possession more than 100 grammes of drugs for sale.

97 Nigerians Detained on Drug Charges

BK2608094490 Bangkok Domestic Service in English 0000 GMT 26 Aug 90

[Text] The Nigerian ambassador to Thailand has been reassured of fair treatment and professional handling of drug abuse cases on the Thai side in her talks with the permanent secretary of interior, Mr Anan Anantakun, in which Nigeria's concerns have been voiced. At present, 97 Nigerian nationals are detained for drug abuse charges, mostly found with illegal drugs in possession. Many of the detainees are women, some pregnant.

The Nigerian ambassador told the Thai authorities that many appeals were made to the embassy, in which the defendants denied the charges. She was concerned over their conditions and prison treatment. The permanent secretary for interior reassured the Nigerian envoy of fair treatment for all foreign prisoners, Nigerians included. The handling of drug cases has been professionally and reliably done by Thai police and drug officers. Prisoners enjoy basic freedom and rights. Medical services are provided in accordance with their needs.

The Nigerian ambassador promised to investigate and prevent further drug abuse cases committed by nationals of her country. Mr. Anan pointed out that drug officials have been well trained and have performed their duty admirably and honestly.

Yala Separatists Ambush Police 25 Aug

BK2708014390 Bangkok THE NATION in English 27 Aug 90 p 2

[Text] A villager was seriously injured during a brief clash between police and a group of Muslim terrorists in Yaha district of Yala province on Saturday [25 August], police reported yesterday. Sali Koseng was hit in his hip by a bullet and his right leg suffered a serious cut from bomb shrapnel during an ambush by the terrorists. Sali had volunteered to lead 8 police officers from Yala to Mu Sam village in Tambon Pakae, which the terrorists reportedly were using as their operating base. He was put on a helicopter to the provincial hospital immediately after the clash.

The separatists, who were hiding in thick bushes, opened fire on the police team while Sali was walking about 30 metres ahead of the others, at a spot about 15 km from the village. The terrorists, suspected to be led by Muslim separatist Kodi Kade, whose group is active in Yaha and Bannang districts, retreated after exchanging gunfire with police for about 15 minutes.

Correction to "Announcement on Cabinet Reshuffle"

BK2708134890

The following correction pertains to the item headlined "Royal Announcement on Reshuffle," published in the 27 August East Asia DAILY REPORT, page 44:

Column one, paragraph four, only sentence, make read: ...and cooperatives minister; suwat lipataphanlop as deputy communications minister.... (correcting last name).

Vietnam

Storing of Explosives Reported in Nghe Tinh

BK2908053190 Hanoi Domestic Service in Vietnamese 0500 GMT 29 Aug 90

[Text] In order to maintain security, the public security force of Cam Xuyen District, Nghe Tinh Province has, in coordination with the local administration, organized a class for the people to study the law on the campaign to prevent the bad practice of storing explosives.

Thanks to the widespread conduct of the movement, a number of youths have voluntarily turned in to the public security force various kinds of explosives, detonators, grenades, and so forth.

The public security force has stipulated regulations to punish those found guilty for the second time. Thanks to its cooperation with the people, the Nghe Tinh public security force has been able to prevent hundreds of explosions in the areas of Cam Nhuong, Cam Linh, and Cam Duong.

Do Muoi Receives Danish Ambassador 27 Aug

BK2808155990 Hanoi VNA in English 1501 GMT 28 Aug 90

[Text] Hanoi VNA August 28—Mogens Knud Isaksen, ambassador of the Kingdom of Denmark to Vietnam, yesterday called on Chairman of the Council of Ministers Do Muoi here.

Chairman Do Muoi had a cordial talk with the Danish envoy.

SRV-USSR Society Marks Founding Anniversary

BK2808143890 Hanoi Domestic Service in Vietnamese 1430 GMT 27 Aug 90

[Summary] A solemn meeting was organized this morning at the cultural center of the Vietnam-Soviet Labor Cooperation and Friendship Society by the communications, transportation, and post and telegraph sector to mark its 45th founding anniversary and to receive the Ho Chi Minh Order conferred by the Council of State.

"Attending the meeting were Comrade Dong Sy Nguyen, member of the Politburo and vice chairman of the Council of Ministers; Comrade Dam Quang Trung, vice chairman of the Council of State; Comrade Phung Van Tuu, vice chairman of the National Assembly; and other comrade representatives of the various departments and sectors at the central level and in Hanoi."

In his speech, Comrade Bui Danh Luu, member of the party Central Committee and minister of communications, transportation, and post and telegraph, praised cadres and workers of the sector for the glorious traditions they have displayed over the past 45 years. After dealing with the need for the sector to continue developing its strength in order to meet the new requirements of national construction and national defense, he outlined the concrete tasks for the years to come.

On this occasion, cadres and workers of the communications, transportation, and post and telegraph sector were very happy to receive the Ho Chi Minh Order. On behalf of the Council of State, Comrade Dam Quang Trung pinned the order on the sector's banner.

Next, on behalf of the Council of Ministers, Comrade Dong Sy Nguyen expressed his views. After commending cadres and workers of the communications, transportation, and post and telegraph sector for their achievements in the past 45 years, he said:

[Begin Dong Sy Nguyen recording] "Over the past three years, implementing the sixth party congress resolution, the communications, transportation, and post and telegraph sector has renovated all aspects of its activities and has scored initial results, improving the business accounting system and applying scientific and technological innovations to the management of production operations and state affairs."

"Apart from the results brought about by the renovation policy, there have emerged new irregularities. Taking advantage of economic reform aimed at promoting spontanenous economic development, certain sectors have engaged in unhealthy business operations and service industries and have greedily gone after short-term profits, accumulating incomes far exceeding those generated by actual business operations and creating a wide gap in the common income distribution system. At the same time, there still exist obstinate attempts not to adapt oneself to the new mechanism. Bureaucratism, conservatism, and sluggishness continue to make their presence felt. We must overcome both of these tendencies in order to master the renovation policy and the new mechanism in accordance with socialist orientations."

"On the occasion of the sector's traditional festival, on behalf of Council of Ministers Chairman Do Muoi and the Council of Ministers, I would like to wish you greater achievements. Let each and every one of you act in line with your sector's operating procedures based on civilized work style and smooth, efficient, and safe operations." [end recording]

Japan's Watanabe Interviewed on Ties, Cambodia

BK2808154990 Hanoi International Service in English 1100 GMT 28 Aug 90

[Text] A delegation of the Japanese House of Representatives headed by Michio Watanabe has paid a visit to Vietnam. In an interview with our radio correspondent on the relations between Vietnam and Japan, Mr. Watanabe said:

[Watanabe in Japanese, fading into English translation read by announcer] The basic relations between Vietnam and Japan—diplomatic, political, and economic relations—have been set up. In my visit to the United States last May, I made contact with several U.S. officials and discussed with them a number of issues, including the policy toward Southeast Asia. Through these contacts, we realized the differences in the U.S. and Japanese stance over these issues. Therefore, to some extent, Japan's orientation is different from the United States'. Even the U.S. allies—such as Britain and France—also have adopted a different attitude toward Vietnam. We hope that Japan would strengthen relations with Vietnam in trade. In the future, the relations between Vietnam and Japan will gradually develop.

Speaking about peace in Cambodia, Mr. Watanabe said:

[Watanabe in Japanese, fading into English translation read by announcer] The key issue in Cambodia has something to do with the relations between the U.S. and Vietnam. Vietnam's role in the peace issue in Cambodia is necessary. Through the mass media, we learned that Vietnam completed its troop withdrawal from Cambodia last September.

Mr. Watanabe welcomed the recent talks between Vietnamese representatives at the United Nations and U.S. officials on the Cambodian issue. Also through the mass media, Mr. Watanabe added, the Japanese people misunderstood the real situation in Cambodia. They thought that the Pol Potists still controlled the situation and were free to do anything they liked from Phnom Penh to Angkor Wat. These are completely untrue. He said when he visited Angkor Wat, he met many local people and talked to them and it seemed they had nothing to worry about.

He also met people of other localities such as Kompong Cham and learned many interesting things and was told that this was a safe place.

Some countries still doubted the Vietnamese troop withdrawal and they were not confident in the Phnom Penh Administration. Since Vietnam completed its troop withdrawal from Cambodia, the Phnom Penh Government has controlled the country with its own strength. This has made other countries change their attitude toward Cambodia.

Concerning the Japanese Government's stand toward the Cambodian issue, Mr. Watanabe said: The representatives of the State of Cambodia and the tripartite coalition will decide the key issues in Cambodia. He said that the establishment of the Supreme National Council of Cambodia is very important as it is the best way to settle the Cambodian issue.

Northern Provinces' Ricefields Hit by Drought

BK2908093590 Hanoi Domestic Service in Vietnamese 2300 GMT 27 Aug 90

[Text] According to the Ministry of Water Conservancy, the heat wave marked with the scarcity of rain lasting from early August has dried up water in 223,000 hectares of ricefield or one fifth of the 10th-month rice area in the northern provinces. Of the 223,000 hectares of rice, 87,500 hectares have been hard hit by drought. Hanoi and the provinces of Hai Hung, Ha Son Binh, Vinh Phu, Ha Nam Ninh, Thanh Hoa, and Nghe Tinh have had between 18,000 and 36,000 hectares of rice each in need of water, this representing between one-fourths and nearly one-half of the total rice area in these provinces. Drought-stricken Nghe Tinh Province has the largest area of 10th-month rice in need of water, totalling 33,000 hectares including 23,000 hectares located in the area where no water conservancy projects are available. Almost all those rice areas in need of water are located in places toward the end of various irrigation projects or places where no irrigation projects are available.

Braving the heat wave, the electricity sector has striven to ensure adequate supply of electricity as required by various localities so they can irrigate their 10th-month rice. Thanks to better electric supply, the farmland irrigation situation has no longer been tense and difficult as it was in previous cropping seasons. However, due to one reason or another, some localities still do not use their pumps at full capacity.

At present, 10th-month rice in the north is growing ears and therefore needs water. The Ministry of Water Conservancy urges various localities to set aside adequate electricity for use to operate pumps in conjuction with efforts to use water baskets and other means to irrigate ricefields, especially those in areas without irrigation projects. Reservoirs must open sluice gates as required for irrigation by various localities and must pay attention to conserving more water when it rains.

At present, although a number of 10th-month rice areas are hit by drought, the north is now in the middle of the rainstormy season and typhoon No. 5 is appearing in the Eastern Sea. The Ministry of Water Conservancy urges various localities with river dike culverts and self-regulated culverts to get only enough water to fight drought and to take precautions against waterlogging caused by heavy downpours.

Review of Aug 1990 Issue of TAP CHI CONG SAN

BK2808151190 Hanoi Domestic Service in Vietnamese 1000 GMT 26 Aug 90

[Summary] Marking the 45th anniversary of the August Revolution and National Day, the review of the August

1990 TAP CHI CONG SAN begins with the editorial: "Intensify the Role of State Management Under Party Leadership." The editorial says: "Only the state has the managerial function. The party provides leadership over the state through its guidelines, controls the implementation of these guidelines, and introduces competent cadres into state management work, but it will not take over management work for the state." Then the editorial stresses the need to resolutely purify and qualitatively improve the contingents of cadres and personnel of state agencies.

The review then carries the article: "Renovate the Mass Motivation Task" by party Central Committee Secretary Vu Oanh. On the strength of analyzing the situation in the country and the world in the recent past, the author indicates that: "Renovating the mass motivation task is currently an objective and pressing demand of the revolution," and points to the contents of renovation and some of the basic viewpoints on implementation of the task.

Following this article is an article titled: "Control the People in the Renovation Process" by Chief Procurator Tran Quyet. It says: "The control sector must renovate itself in the three respects of thinking, operating procedures, and building of cadre contingents."

The last article of the topical writings section in this monthly is titled: "Intensify and Renovate Party Leadership Over Science and Industry" by Dang Huu, head of the State Science Commission. "On the basis of generally evaluating the initial achievements along with shortcomings and mistakes to be overcome in applying scientific achievements to industry, production, and life in our country, the author points out some measures to intensify and renovate party leadership over science and industry in order to even better ensure the promotion of the important role of science and industry in the socioeconomic development of the country."

The "Socialism, Look Back and Renovate, Study" section carries an article titled "Lenin's Idea of the Cooperation System and the Birth of a New Economy in Our Country" by Professor Dao Xuan Tam of Nguyen Ai Quoc Institute in which the author wants to demonstrate some new viewpoints on the new economy of our country.

The "Research and Exchange" section has two parts. The Research Part begins with the article titled "The Song Da Reservoir Area, Potentials and Prospects" by high-level economist Le Hong Tam. The article introduces the gist of a general research project for studying the potential and prospects of the Song Da reservoir area.

Another article in the Research Part is: "The Economic Strategy of Southeast Asian Countries" by Do Duc Dinh, an economist of the World Economy Institute. The author discusses our economic strategy on the basis of analyzing achievements in the process of socioeconomic development and the economic strategy of Southeast Asian countries over the past few decades.

The Exchange Part also carries two articles. The first one is: "The Market, the Basic Contents of the Open-Door Policy" by economist Nguyen The Uan, who suggest measures to overcome shortcomings in the open-door policy. The second one is: "Theoretical and Practical Viewpoints on Currency Business" by Tran Ngoc Hien, professor of Nguyen Ai Quoc Institute, who presents some of his viewpoints on and guidelines for dealing in currencies.

The "Opinion and Experience" section begins with the article titled: "The Human Factor and Present Social Policies in the Countryside" by Nguyen Quang Du, a research cadre of the Marxist-Leninist Institute, who stresses the need to have positive social policies in order to promote the human factor in rural areas. This section also carries the article "Enhance the Results of Esthetic Education of Culture and the Arts" by Do Kim Thinh. The article exposes the serious decline of esthetic education in the cultural and artistic domains in recent years, and another article, "Renovate Literature, Concept and Reality," by Nguyen Van Luu criticizes some erroneous viewpoints on literature in the recent past.

In the "Activity and Ideology" section is the article "Prerogatives and Privileges" by Tuan Ninh, pointing out one of the social problems of most concern to all the people.

In the "Letters to the Editorial Staff" section, Thai Van of Hanoi writes an article supporting the current anticorruption movement.

The "World, Problems and Events" section carries the article "The CPSU: the Historic Milestones," recalling the important congresses of the CPSU over nearly a century of the party's existence and development.

This section further publishes the article "Changes of Communist Parties in East Europe Countries" by Vu Hien, analyzing some causes leading to division of Eastern Europe communist countries.

The "Through the Foreign Press" section presents an article on labor under socialism which was written by Thanh My after some documents published by Soviet authors in the February 1989 issue of Soviet Social Science Review.

Ministry of Agriculture Meets on Rice Production

BK2908053090 Hanoi Domestic Service in Vietnamese 0500 GMT 29 Aug 90

[Text] Recent upheavals in the world and dometic market have had an impact on the country's rice production, especially on the Summer-Fall crop in the south and the 10th-month crop in the north. Widespread are difficulties and obstacles, especially the supply of various materials, chiefly fertilizer, insecticide, and veterinary medicine needed in agriculture, and the export of farm produce.

The Ministry of Agriculture and Food Industry has held many meetings with various localities and sectors concerned, especially with high value export sectors such as grain, coffee, foodstuff, tea, vegetable oil, rubber, vegetables, fruits, and silk. They discussed ways to coordinate activities to overcome difficulties, obstacles, and consequences that have just emerged and how to avoid being caught unprepared as was the case in the past few months.

The agricultural sector is to prepare conditions for broadening the consumer market in order to ensure a plan to achieve a gross export value of some 328 million rubles/dollars during the second half of the year. It must also find a supplier for 400,000 metric tons of urea fertilizer that will be used in the 1990-91 Winter-Spring crop and must determine principal and contingency plans for the export of farm produce for the year 1991.

Official Says 20 Percent of Labor Unemployed

BK2708034290 Hong Kong AFP in English
0300 GMT 27 Aug 90

[Text] Hanoi, Aug 27 (AFP)—Returned boat people, demobilized veterans of the Cambodian war and school leavers are creating major headaches for officials charged with finding job openings for Vietnam's six million unemployed.

More than one million people will flood onto the job market every year, Ministry of Labour, Invalids and Social Affairs official Nghiem Xuan Tue said in an interview here, citing this poverty-stricken country's population of around 65 million people and annual birth rate of 2.12 per cent.

The ministry has launched a programme aimed at alleviating the "very urgent and difficult problem" of unemployment but it is a daunting task with six million people looking for permanent work—20 per cent of the labour force.

In the meantime, most of the millions of jobless must fend for themselves as the government does not have funds to offer them welfare, Mr. Tue said, adding that support was given only to the half million state employed workers forced into redundancy. Each year it spends millions of dollars caring for the victims of decades of war against the French colonialists, the Japanese, U.S. and South Vietnamese soldiers and the resistance alliance in Cambodia.

Vietnam announced in September that it had withdrawn the last of its troops from Cambodia almost 11 years after they ousted a genocidal Khmer Rouge regime. But with no more fighting to be done, the Army—the fifth largest in the world with an estimated 1.3 million personnel in 1989—is being cut and last year 500,000 soldiers were demobilised and released onto the job market.

Mr. Tue said positions must be found for these men as well as the growing number of Vietnamese boat people who are opting to return home voluntarily from places such as Hong Kong, Thailand and Malaysia.

Last Wednesday a group of 94 Vietnamese flew home from Hong Kong bringing the number of volunteers to be repatriated from the British colony since march 1989 to almost 4,100, with the adults looking for work in their fresh start. Mr. Tue said the number will "increase in the future" as the boat people who fled the country to search for better job opportunities in the first place realise that they will never reach their promised land in the West.

The major changes in Eastern Europe will add to the difficulties, with several countries preparing to repatriate thousands of Vietnamese workers. But the biggest headache is finding gainful employment each year for the hundreds of thousands of school leavers in a country where funds are not available to run a large further education network, Mr. Tue said.

The ministry has devised five strategies aimed at tackling the mainly urban problem, and Mr. Tue said that while they were difficult to implement these policies had helped create millions of jobs.

One of these measures, exportation of labour, will probably have to be reviewed given the situation in Eastern Europe but Vietnam is willing to send workers anywhere in the world so long as their rights are protected.

More successful have been the policies of jettisoning the principal of a "two sector economy"—the state and collectives—and encouraging private enterprise and the introduction of inducements aimed at attracting people back into agricultural production and small-scale industries, such as handicrafts. The success of the second strategy has already reaped rich rewards with Vietnam last year becoming the world's third largest exporter of rice barely two years after it had been an importer of the staple.

The other measures are changes in the foreign investment code to allow overseas businesses to invest in this country and hopefully create jobs and redistribution of labour to special economic zones around a country where 80 per cent of the population live in 20 per cent of the land area, Mr. Tue said. Some two million have shifted homes under this voluntary programme. But the investment code is unlikely to build up steam so long as the United States maintains its 15-year trade embargo on Vietnam, though the opening of a dialogue between Hanoi and Washington earlier this month raises hopes that this policy could soon be scrapped.

A solution of the Cambodian conflict, while flooding the job market with former soldiers, could also open the floodgates to massive overseas investment and employment opportunities, officials and analysts here agree.

But one class of unemployed who receive short shrift from the government are idlers in southern Vietnam who live off money sent to them from relatives in the West.

"I think we have no responsibility to find jobs for these people," Mr. Tue said firmly.

Australia

Women, Children Advised To Leave Kuwait, Iraq

BK2908021090 Hong Kong AFP in English 0141 GMT 29 Aug 90

[Text] Canberra, Aug 29 (AFP)—The government would advise about 80 Australian women and children currently detained in Kuwait or Iraq to accept President Saddam Hussein's offer to leave, the Department of Foreign Affairs said Wednesday.

A department spokesman said "we don't have any confirmation at this stage" of a report by the official IRAQI NEWS AGENCY that all foreign women and children were free to leave the country, and that the Australian embassy in Baghdad had been instructed to check it. The report, monitored in Cyprus earlier Wednesday, quoted Mr. Husayn as saying that all foreign women and children were free to leave from August 29.

"Australia will continue to demand that all foreigners held against their will in Iraq or Kuwait be allowed to leave," the spokesman said. But if the offer applied only to women and children, they would be advised to take it up.

"Our policy so far has been that, if the door opens, we should let those who have the opportunity to take advantage of it, do so," he said.

Last week, the government said that there were about 50 Australian women and children and 20 Australian men in Kuwait, and another 30 women and children and 40 men in Baghdad. Officials here said on Tuesday that they were deliberately not releasing updated figures.

Minister Sees 'Breakthrough' in Hostage Offer

BK2908072690 Melbourne Overseas Service in English 0500 GMT 29 Aug 90

[Text] Australia's acting foreign minister, Dr. Neal Blewett, says President Saddam Husayn's offer to release all women and children detained in Kuwait and Iraq may be a real breakthrough in the hostage issue. Dr. Blewett says it is an encouraging sign with roughly half of the number of Australians in the region being women and children. But he says the government does not know what the offer entails and that it does not go far enough because all hostages should be released. Dr. Blewett says embassy officials in Baghdad have been asked to clarify the offer with Iraqi authorities.

In the meantime, another Australian envoy has arrived in Kuwait to check on Australians there. Dr. Blewett says there are an estimated 48 Australian women and children in Kuwait and another 31 in Iraq.

Reportage on Foreign Minister's Visit to Egypt

WA2808183090

For reportage on the visit by Foreign Minister Gareth Evans to Egypt, including reports on his talks with President Mubarak, please see the Egypt section of the 28 August Near East & South Asia DAILY REPORT and subsequent issues.

New Zealand

Palmer Welcomes Saddam's Freedom Announcement

BK2908030490 Hong Kong AFP in English 0245 GMT 29 Aug 90

[Text] Wellington, Aug 29 (AFP)—New Zealand Prime Minister Geoffrey Palmer Wednesday cautiously welcomed Iraqi President Saddam Husayn's announcement that he would free foreign women and children hostages, but Foreign Minister Mike Moore was sceptical.

Mr. Palmer said in a statement that the announcement was "extremely welcome... But so far we do not have details about how it is to be implemented."

Mr. Moore told the New Zealand Press Association the announcement was part of the Iraqi president's propaganda war, adding: "and he (Mr. Husayn) has lied before."